CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Tuesday, December 3, 1968

The house met at 2.30 p.m.

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Second report of standing committee on transport and communications—Mr. Blouin.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

DOMINION-PROVINCIAL RELATIONS

FEDERAL POSITION RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Prime Minister with regard to his statement yesterday on the important subject of offshore mineral rights, and ask him whether the position of the government of Canada as outlined by the right hon. gentleman yesterday was put forward as a tentative position, a basis for discussion with the provinces, or whether on the other hand it represents a definitive position open to further negotiation in one respect only, that is in relation to the division of that portion of future revenues to be assigned to the provinces.

Right Hon. P.-E. Trudeau (Prime Minister): I wrote to the premiers of the provinces on Friday indicating that this was the best solution we had been able to devise, taking into account both the interests of all Canadians and the interests of the provinces. Even as to the part which the Leader of the Opposition suggests might be open to negotiation, the percentage of the division with the provinces, we do not think there is much room for negotiation there. We are suggesting a 50-50 deal. We would prefer it to be 60-40, 60 for the federal government and 40 for the provinces, but we doubt whether the provinces would think this was much of a negotiating point.

The negotiation, as we see it, would be mainly among the provinces so they could come up with some agreement among themselves as to how this 50 per cent would be divided among them.

As to the mineral resource administration lines, they are not final and forever, in the sense that if the provinces were to produce a very good argument for drawing a geodetic line in a slightly different position we would certainly listen to it. However, as I said yesterday we attempted to draw these lines well within territory which we believe to be under federal jurisdiction, so we do not think there will be legal grounds, at any rate, for the provinces wanting, let us say, to draw lines further out to sea. We doubt whether they would want to do that, anyway. Maybe they would want us to draw the lines nearer to the shore. This could always be negotiated.

Apart from that, as to the general scheme I do not say it is not negotiable, in the sense that if the provinces had some much better solution we should not look at it, but the position we have taken was one we reached after very lengthy and mature deliberation. We thought the federal government had to make some offer. This is our offer, and we feel it is a good one.

Mr. Stanfield: I gather the answer to my question is that this is a definitive statement of the federal position, subject to certain minor possibilities. I would therefore ask the Prime Minister to explain why the government of Canada has decided to abandon the commitment made by the former prime minister and renewed by himself to negotiate the question of offshore mineral rights.

Mr. Trudeau: Well, Mr. Speaker, I do not know if the Leader of the Opposition was quoting me correctly or Mr. Pearson correctly. I think the words used were to the effect that we would offer some equitable arrangement to the provinces, and we feel this is an equitable arrangement.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to ask a supplementary question. In his answer a moment ago the Prime Minister said that if the provinces should come up with a much better proposition the government would consider negotiating it or discussing it. Who is to

decide whether the proposition is a much better proposition? The provinces might consider that it is. Is it the federal government's decision?

Mr. Speaker: I wonder whether the supplementary is not argumentative, but the Prime Minister may wish to reply.

Mr. Trudeau: Well, Mr. Speaker, reasonable men looking at this will have to take a position. I would very much welcome reasonable men on the opposition side coming forward with constructive alternatives. Do they think we should give more to the provinces, or less? I would certainly be influenced by any reasonable argument put forth by the hon. member opposite and by any of the provincial representatives. As I say, there is no magic in this formula. We thought it was the most equitable one we could find, 50-50 sharing, but if someone else has a better proposition we would certainly look at it.

Some hon. Members: Hear, hear.

Mr. Hees: As a further supplementary question, is it the intention of the government to bring this matter forward for debate in the house soon, so the opposition can put up propositions they might think would be an advance?

Mr. Trudeau: Mr. Speaker, certainly on supply we would be very anxious to have ideas put forth from the opposition that can improve on this idea. They are generally not hesitant to give interviews on television and to the press. We read the results, and any good ideas would be welcomed by us.

Some hon. Members: Hear, hear.

Mr. Speaker: Does the hon. member for York South wish to ask a supplementary?

Mr. David Lewis (York South): Yes, Mr. Speaker. In view of the fact that the Supreme Court of Canada decision with respect to the case which was referred to it was based on certain historical facts and the legal interpretation of those facts, does the Prime Minister know whether other provinces are prepared to accept the conclusion that those rights belong to the federal authority? If not, is the government considering some way of resolving that problem?

Mr. Trudeau: Mr. Speaker, of course we do not know whether all provinces would consider themselves bound by this Supreme Court opinion. We have heard that some provinces do not consider themselves bound by it. It is because of this that the government has been faced with the situation, of which all of us are aware, that there could be endless litigation.

Some hon. Members: Hear, hear.

Mr. Trudeau: The reference in the British Columbia case could begin again with every province, and indeed I suppose there would be nothing to prevent endless litigation by private companies that would try to get permits from one province or another. It is to avoid all this litigation that we have racked our brains to come up with some kind of equitable arrangement, and we think a 50-50 sharing is a pretty good place to start.

Mr. Lewis: I am not suggesting that the arrangement proposed by the government is inequitable, but I would like to ask the Prime Minister this question. In view of the fact that it is certain that not all provinces accept the Supreme Court of Canada opinion, would it not have been wiser to place the government's proposition before a federal-provincial conference, such as the one that is convening in a couple of weeks? Would not the Prime Minister consider doing that even now, so that instead of the provinces being faced with a decision of the federal government there would be some consultation between the two levels of government, which is surely the best way to run a federal situation?

Mr. Trudeau: I have no objection to that at all if the provinces decided that is the place they want to debate it. I would just suggest that this would mean one more federal-provincial conference, because the agenda for the December one is already very full. Of course if the provinces want to set aside the agenda that has been suggested and deal with this first we certainly will not be stubborn about it. But one way or the other I felt it was important that the federal government state the proposition, or state the terms of a settlement out of court. This is all we did. If the provinces do not wish to accept that, there can be all kinds of arrangements; there can be federal-provincial conferences, references to courts and all kinds of conceivable arrangements. Once again the essence of the problem was time and to avoid endless litigation.

Mr. Lewis: Mr. Speaker, the right hon. Prime Minister stated earlier that he wanted to avoid litigation. I hope he is not suggesting references to the court as a livable alternative. I would ask him whether the federal

government should not take the initiative in suggesting to all the provinces that a conference might be held to discuss this particular matter. A delay of another month will not matter very much in respect of this particular issue.

Mr. Trudeau: Well, Mr. Speaker, for years now the opposition and the hon. member in particular have been telling us we were not doing enough about the constitution. We are planning to do something about the constitution in December, and now they suggest we should set this agenda aside and deal with the matter of off-shore mineral rights.

Mr. Lewis: I rise on a point of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for York South on a question of privilege.

Mr. Lewis: I respectfully suggest to you, Mr. Speaker, that the Prime Minister has no right to distort words spoken by another member. I did not suggest that this conference be set aside; in fact I said that a delay of another month or so on this issue would not matter. I am sure the right hon. gentleman understood me to mean that this would not interfere with the conference this month but that another conference should be held at a later date. I resent this political play.

Some hon. Members: Hear, hear.

Mr. Trudeau: Mr. Speaker, I apologize to the hon. member. I honestly thought he was suggesting that the subject be dealt with in December. If he means at some later conference, I can only answer that last Friday I wrote to the provinces asking them for their views on the whole subject. If they are of the opinion that a federal-provincial conference should be held, then I am certainly willing to have one.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question about that same matter.

Since the Supreme Court rendered its decision, has the Prime Minister heard from some provinces protesting that decision or have some provinces said they intended to contest it or asked the central government to organize a meeting to discuss that decision?

Mr. Trudeau: Mr. Speaker, I do not think definite representations were made to that effect. I read in the newspapers, as the hon. member undoubtedly did, statements by some provincial premiers who disagreed with the ruling but, to my knowledge, all the provinces were waiting to see what we meant, first by Mr. Pearson, and then by myself, when we stated that we would propose an equitable basis for a solution. And now that we have put it to them, we are awaiting their reply.

[*English*]

Mr. Stanfield: Mr. Speaker, I wish to ask one more question relating only to the point of whether the Prime Minister is now honouring the obligation stated by his predecessor. I should like to quote from the statement the Prime Minister made yesterday and ask him whether this is an accurate account of what he said in the house yesterday, as reported at page 3342 of *Hansard:*

> My predecessor, Mr. Pearson, indicated at the federal-provincial conference of July 1965, and I repeated in the house on September 19, that we intend to proceed now by negotiation.

I should like to ask the Prime Minister whether in fact that is what he is doing.

Mr. Trudeau: Yes, Mr. Speaker. We put forward a proposition. I repeat that if some better propositions are available we will certainly want to discuss them, but we have to start with something. We feel this is a good starting point.

Mr. Stanfield: So it is a starting point.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a further supplementary question for the Prime Minister. I ask the Prime Minister whether he would consider legislation passed in this house to be reasonable; and would he say whether it would be fair for the law officers of the crown to retain the interpretation they adopted at the time that legislation was passed?

Mr. Trudeau: Mr. Speaker, I do not think I should be asked to make a blanket statement that all decisions made in this house are reasonable.

Mr. Speaker: Order, please. I think we should move on to another subject. As hon. members know, supplementary questions are allowed at the discretion of the Chair, and there must be a point at which we should go on to another subject. If it seems we run out of questions or new subjects at a later time perhaps we can return to this one.

Mr. MacInnis (Cape Breton-East Richmond): On a further supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. If I should allow further supplementary questions now, it seems there are two or three other members who wish to pose them. Later on I shall return to the hon. members for Cape Breton-East Richmond and Charlevoix.

Mr. MacInnis (Cape Breton-East Richmond): I have a further supplementary question.

Mr. Speaker: Order, please. I wonder whether the hon. member will accept my suggestion that we go on to another subject, and perhaps return to this matter later in the afternoon.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

In view of the fact that decisions rendered by the Supreme Court with regard to constitutional matters—like the one concerning the off-shore mineral rights which was referred to lately—have not always been accepted by all the provinces, will the right hon. Prime Minister, or the government, decide some day, in order to settle constitutional conflicts between the provinces and the federal government, to set up a constitutional court on which representatives of the provinces and the federal government would sit, so that the decisions rendered by the said court would bind all those concerned?

Mr. Trudeau: Mr. Speaker, at the constitutional conference in December we intend to make certain proposals concerning the Supreme Court and we hope that, as a result of that conference, the Supreme Court will not come under federal jurisdiction but under the constitution itself, in a way which will be considered satisfactory by the provinces.

Mr. Asselin: Mr. Speaker, I should like to ask a supplementary question.

Does the Prime Minister mean that the federal government will suggest to the provinces that a constitutional court be established to deal with the jurisdiction conflicts existing between the federal government and the provinces?

Mr. Trudeau: Mr. Speaker, I would not wish the hon. member to press me for a definite statement on the position of the government. I spoke of the matter in a general way, but I am following the rules of the game accepted by federal and provincial officials according to which these discussions are to remain confidential until very shortly before the conference itself.

[*English*]

[*Later:*]

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like now to pursue the question which I originally intended to ask the right hon. Prime Minister with regard to offshore mineral rights. Did the Prime Minister write to the landlocked provinces, such as Alberta and Saskatchewan, with regard to the decision of the federal government? If so, is this an admission on his part that these provinces are also entitled to a share of the wealth?

Mr. Speaker: Order, please. Perhaps only the first part of the question is in order.

Mr. Trudeau: If this is an answer to the hon. member's question, I would say that I wrote to the premiers of all provinces.

Mr. Korchinski: Then as a supplememtary question, Mr. Speaker, may I ask the Prime Minister whether the provinces are entitled to make submissions to the federal government, or must they consult with the other provinces if they feel they should get a portion of the wealth?

Mr. Trudeau: Well, Mr. Speaker, we hope this is the type of question that the provinces would be able to settle amongst themselves. Of course if they cannot, and if they want to come to the federal government for guidance, we will gladly give it to them.

Mr. Baldwin: God help them.

[*Translation*]

NATIONAL CAPITAL

SUGGESTED DISCUSSIONS TO EXTEND BILINGUAL CHARACTER

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Has the right hon. Prime Minister, or the government, entered into negotiations with the authorities of the city of Ottawa—the national capital—with a view to its becoming a bilingual city as soon as possible, notably with regard to road signs?

Mr. Speaker: Order. I wonder if that question is not too general in nature to be put at this time. In any event, I shall allow the

hon. member to put it and the right hon. Prime Minister to answer.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I agree with you. The question is too general in nature but it may be that the hon. Minister of Forestry and Rural Development can answer it, if the hon. member directs it to him on another day.

[*English*]

BROADCASTING

EDMONTON—REJECTION OF CATV APPLICATION

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to ask the Secretary of State or his parliamentary secretary whether they will give an assurance that the CATV application by the city of Edmonton will be processed by the Canadian Radio-Television Commission, reversing the brusque rejection of the application by a civil servant, namely the secretary of the commission.

Mr. Speaker: I have some doubts whether the question as asked is in order.

Mr. Paproski: Mr. Speaker, in view of the fact that the city of Edmonton owns its own telephone system, and CATV is merely a relay system operating on telephone cables, will the minister inquire by what right, or in virtue of what statute, the city's application was summarily rejected without even being given a hearing by the commission; and will he ensure that such a hearing is accorded in the interests of justice?

Mr. Speaker: This is a good question and an even better argument.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to address a question to the Prime Minister. It is a constitutional question of a type different to those asked earlier. My question refers to the "Private property" type of sign posted at Government House gate by the new Lieutenant Governor of British Columbia, and the removal of that sign by provincial authorities. Is the government aware of this situation, or will it look into it?

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

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Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

PROTEST AGAINST PROGRAM RESPECTING ALGONQUIN PARK

On the orders of the day:

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, I have a question for the Secretary of State but in his absence I direct it to the Prime Minister. Because of the completely biased portion of the C.B.C. program "The Way It Is" regarding the lumbering and tourist industry in Algonquin park, which appeared on the C.B.C. Sunday night, would the minister request the C.B.C. not to use public funds to promote a one sided view of the Algonquin park issue which would result in the loss of employment for thousands of people in the upper Ottawa valley region of eastern Ontario?

Mr. Speaker: Order, please. This also is an argument and not a question.

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

FISHERIES

REQUEST FOR INTERIM REPORT ON MARKETING SURVEY

On the orders of the day:

Mr. Speaker: The hon. member for North Shore.

Some hon. Members: Oh, oh.

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

Mr. Lloyd R. Crouse (South Shore): You have your compass points a little mixed up, Mr. Speaker. I wish to direct a question to the Minister of Fisheries. An interim report on the joint government-industry marketing survey now under way has been distributed to participating governments by the management consulting firm which is conducting the study. In view of the serious marketing problems presently facing the fishing industry, has the minister any announcement to make with regard to this report or its recommendations for expanding fisheries markets?

Hon. Jack Davis (Minister of Fisheries): Not immediately, Mr. Speaker; but these reports and others like them are receiving very serious consideration. I hope to be able to make a statement to the industry within the next few weeks.

Inquiries of the Ministry

HEALTH AND WELFARE

STEPS TO OVERCOME SHORTAGE OF MEDICAL PERSONNEL

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare. In view of the alarming statement by a select committee of top medical doctors in Canada to the Medical Research Council of this country that the federal freeze on health resource grants might destroy all possibility of admitting more medical students, so urgently needed with medicare being pushed across Canada by the federal government, would the minister consider this problem when the federal and provincial ministers meet in December?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the problem of adequate facilities for the training of health personnel is always an important matter, and undoubtedly we will be discussing this question with our provincial counterparts.

[*Translation*]

INDUSTRY

PRODUCTION IN CANADA OF PARTS FOR NEW JET PLANES

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Transport but, in his absence, I will direct it to his parliamentary secretary.

Air Canada has ordered 10 L-1011 jets from the Lockheed Company which, it seems, would agree to certain parts being made in Canada. Could the parliamentary secretary confirm at this time that agreements are now being negotiated between Canada and the company so that parts used for building these jets may be made in Canada and Canadian manpower may be used?

Mr. Speaker: I think the question could be put on the order paper. If it is urgent the hon. member could discuss it at the time of adjournment.

[*English*]

HOUSE OF COMMONS

PROCEDURE IN CONSIDERING RECOMMENDATIONS OF COMMITTEES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. Is the government going to amend the rules of procedure so that decisions taken by standing and special committees of this house can be rescinded should such decisions prove unwelcome to the government, as is presently being attempted in the standing committee on transport?

Mr. Speaker: Order, please. The question is argumentative and I do not think it is acceptable in that form.

RURAL DEVELOPMENT

REQUEST FOR TABLING OF ARDA REPORT ON INDIAN POVERTY AREAS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. In order that we may have full and informed public discussion, will the minister table the ARDA report on Indian poverty areas, excerpts from which have been published in the press?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, unfortunately, I am unable to table this report immediately. However, I hope to be able to do it at the beginning of next month. According to the rules, we are waiting for the French translation before tabling this report.

[*English*]

Mr. Simpson: Mr. Speaker, I wonder whether I could have the permission of the house to table the report myself.

Some hon. Members: Agreed.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): —in that the hon. member for Churchill has referred to a document which he indicated his willingness to table, I think it would be within the rules if the hon. member now tabled that document.

Mr. Trudeau: In both languages?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege.

I was listening to the simultaneous translation and I did not understand very well. I

thought that reference was made to the Hawthorn report, but I realize now that it was the ARDA report. Now, as the ARDA report does not come under my department I do not have authority to answer in that connection and I apologize to the hon. member. I had understood that it was the Hawthorn report, the second volume of which will be tabled next month.

[*English*]

Mr. MacInnis (Cape Breton-East Richmond): I rise on a further question of privilege, Mr. Speaker. It is a struggle for opposition members to make the government realize what they should and must do. It takes a request such as this to make the ministers of this government realize what they are responsible for.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

UNITED NATIONS

CANADIAN POSITION RESPECTING POSSIBLE RESTRUCTURING

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In connection with the reassessment of Canada's defence and foreign policy, will the minister tell us whether a position is being formulated for the government of Canada with regard to any restructuring of the United Nations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it had not been our intention, in the review of our foreign policy, to deal specifically with that question. It seems to me this is a question relating to the United Nations itself. We have, of course, views, as I am sure the hon. gentleman has, about the structure of the United Nations. I do not think that would form part of our foreign policy review.

DEFENCE PRODUCTION

NOVA SCOTIA—NEGOTIATIONS WITH UNION OFFICIALS AT AVIATION FIRM

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Defence Production. He looks neglected today. I wonder whether he is now in a position, inasmuch as some time has gone by, to bring the house up to date on the results of negotiations that took place some time ago between himself and union officials of Fairey Aviation.

Hon. Donald C. Jamieson (Minister of Defence Production): Not in a short answer, Mr. Speaker, but if the hon. gentleman—

Mr. Forrestall: Then in a long one.

Mr. Jamieson: If the hon. gentleman would care to check with me later I will give him the latest report. I believe there is one in the mail to him right now.

Mr. Forrestall: A supplementary question, Mr. Speaker. Could the minister say whether it is a favourable one?

Mr. Jamieson: The hon. member can decide that when he gets the answer.

COMMUNICATIONS

REQUEST FOR STATEMENT ON PROPOSED CORPORATION STRUCTURE

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the laconic Postmaster General. Will he advise when he plans to table the report of Mr. McIntosh in reference to the financial and administrative structure of the proposed communications satellite corporation?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, we have not yet considered the tabling of this report, but I will raise the matter with my colleagues.

Mr. Macquarrie: A supplementary question, Mr. Speaker, I ask the minister whether the report has been received, and if so, is it now being studied?

Mr. Kierans: It has been received, Mr. Speaker, and is being studied. But there are many other issues involved before we can decide if it is suitable to table the report.

SPORTS

HOCKEY—ASSISTANCE TO CANADIAN NATIONAL TEAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of National Health and Welfare. Has Canada's national hockey team received substantial assistance from the government, and if so, in what amount?

Mr. Speaker: Order, please. Unless hon. members think the information should be given, I suggest this question should be placed on the order paper. But if there is unanimous agreement on the part of hon. members—

Some hon. Members: No.

Mr. Speaker: There is no agreement. I would think this type of question should be placed on the order paper.

Mr. Dinsdale: With deference, Mr. Speaker, in view of the fact that the current hockey season is well under way and Canada's national team is engaged in important international competition, could the minister indicate whether assistance has been forthcoming from the government this year, and in what amount?

Mr. Speaker: Order, please. The hon. member is asking whether assistance has been given. If he thinks there is urgency in a question asked in this form, the matter could be discussed at the time of adjournment.

• (3:10 p.m.)

CUSTOMS TARIFF

Hon. C. M. Drury (for the Minister of Finance) moved the second reading of Bill No. C-131, to amend the Customs Tariff.

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

Hon. Marcel Lambert (Edmonton West): No, Mr. Speaker.

Mr. Speaker: Order, please. Since no one rose I took it there would be no debate, but I am quite prepared to recognize the hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Mr. Speaker, there is a wall of noise between Your Honour and this part of the house, and notwithstanding your most valiant efforts even the microphone is of no assistance in carrying your voice this far. I thought there would be a statement from the government at this stage. In view of the fact that the Minister of Finance (Mr. Benson) is not present this afternoon, his parliamentary secretary is going to carry on in his stead. But since there is to be no such statement I propose to make a few remarks at this stage of the bill, not having had an opportunity, because of demands on my time in another place, to do so at the resolution stage. Some of my colleagues may also wish to address a few remarks at this stage.

This bill in fact brings before the house the proposals that were contained in the budget of November, 1967, which formed part of the Kennedy round of negotiations that Canada entered into. The committee on finance, trade and economic affairs considered the bulk of these resolutions from January to March, 1968. So in view of all this we must realize that we are being asked to discuss very old matters. I must say that I think this rather awkward performance, and something else which I will raise before Your Honour in a moment, represent part of the price that had to be paid because the Prime Minister decided to call an election for purely personal and electoral benefits. This may be all right. I see the Minister of Defence Production nods his head in satisfaction, or perhaps in self-satisfaction because he benefited from the move. In so far as Canada is concerned, however, we find ourselves in a difficult position internationally as a result of this action, and so does the house. This bill could have been brought forward much earlier if the government had seen fit to do so. As a matter of the fact, the house, in relation to this bill as well as the anti-dumping convention, is the victim of this lack of planning.

Many plaintive assertions have been made from the government side about the difficulty of putting the legislation through. I say to them that they are falling into the same pattern of scheduling legislation in the same disarrayed fashion as happened in 1963 and 1964. In such cases the opposition is often blamed and a great case is made before the press and other communications media which, like so many innocent lambs, swallow this propaganda. The records indicate otherwise. The house knows that this legislation has been produced following long negotiations. We went through all of this in committee. It seems to me it would have been quite simple to have it brought forward as one of the first items on the order paper so that his house could discharge its commitments honourably and without pressure.

Having said this, I want to come to the other point. I know that the government engaged in the very dubious procedure of resorting to the Financial Administration Act for authority to pass an order in council last spring giving some patina of legitimacy to these proposals, not only the Kennedy round proposals but the budgetary proposals in which the present Secretary of State for External Affairs proposed to increase certain duties on liquor and tobacco. I protest with all the power I have against this procedure of

using an order in council to validate or attempt to validate the collection of taxes. In the terms of the order in council—and the hon. member for Winnipeg North Centre (Mr. Knowles) has put them on the record—it is stated that these taxes shall be deemed to be valid as though the legislation had been passed.

We know in what contempt this administration holds the house. We know their impatience with democracy. We know what they are going to propose with regard to the rules of this house whereby only one group of 25 to 29 men will count. The order in council was not a proposal made by the house but by the government. Hon. members on the other side who are not members of the treasury must keep in mind that they are not part of the government; they are only part of a government majority and members of the House of Commons no more and no less than hon. members opposite. Hon. members who sit in the rump and are the clamorous section of this house must also realize they are not members of the government. In spite of this we have this particular attempt of last April. I want to warn the house of this and draw it to the attention of those people who are supposed to comment about irregularities in the procedures of the house and in government. They should pay attention to matters of this kind rather than to some of the trivia reported about this administration such as the description of the Prime Minister (Mr. Trudeau) swinging on a pole in Yorkville. They should report what was done here last April when this order in council was passed. This is a precedent which might be resorted to again. Unsatisfactory or unacceptable tax proposals might be brought forward in this way by the back door.

• (3:20 p.m.)

Even if parliament had been dissolved, Mr. Speaker, the same action could have been taken in regard to that infamous occasion following the income tax bill. An order in council could have been passed under the authority of the Financial Administration Act, which I suggest is a highly questionable procedure. The tax proposal of last spring which was defeated in this house could actually have been implemented under the guise and authority of an order in council validating the collection of taxes thereunder as though the legislation itself had been passed. But even if the house had been dissolved, no doubt another tame majority would have come along and swept the matter under the rug. This is the way this administration is trying to trample on the rights of the members of this house.

A great deal is made, Mr. Speaker, of responsible government. I suggest to you that the word "responsible" is being given the wrong meaning. It is a question of acting responsibly, in other words, that the government is credible. In addition, and principally, the treasury benches must be responsible; in other words, they must account to this house for their actions. Yet here, there and at every turn the government is striving to remove accountability and responsibility. The government is becoming responsible to its own dignity, to the dictates of the one man who leads it; I will have more to say about this later during the session.

In our system of government in the western democracies, Mr. Speaker, there is not one man as powerful as the Prime Minister of Canada. In Britain the Prime Minister is even more powerful, in a political science sense, than is the President of the United States. The President of the United States is surrounded by checks and counterbalances; in Canada there are none of these. In Britain the House of Lords acted as a check on the government but now its powers are being restricted. That is again evidence of the same pattern. One must weep at what the administration has done to the democratic, responsible system of government which once existed at Westminster. That parliament has now become the tool of the administration.

My point is, Mr. Speaker, that this legislation was validated last April by order in council, and it is relevant to show how this government has acted in the context of discussing the change of duty on tequilla that is provided for in this bill. Since the excise tax bill is raising the duty on beer and spirits generally, I do not think I need say more at this time because the excise bill itself has been accepted. As a result there are consequential amendments to the Customs Tariff Act.

With regard to the Kennedy round, Mr. Speaker, I think members in all corners of the house welcome the end result, or what is anticipated to be the end result, of the negotiations. We hope that the same spirit continues, notwithstanding some very disquieting reactions in certain countries. We have heard from the common market countries, as a result of the exigencies of international financial crises, talk of border taxes, further countervailing duties on imports, and that

sort of thing. This evidences the fact that there is already, shall we say, some rocking of the international trading boats.

With regard to the justification of these Kennedy round changes, Mr. Speaker, hon. members may have some particular comments to make about how the British preferential tariff and the most favoured nation tariff are going to affect industries in one part or another of the country. In some areas hon. members may wonder why there has been a greater front-end loading of the changes than in other sectors. Some members may wonder why certain commodities were or were not included in the changes.

However, Mr. Speaker, it was represented to us by Canada's negotiators that these changes have been made after very difficult negotiations that took place over a span of years on a commodity for commodity basis. Canada could not accept the proposal of the United States for an across the board reduction because Canada and the United States have different industrial and primary resource patterns. I think our negotiators were correct in approaching the negotiations in this way. We must develop our secondary industries. However, some of our primary industries are very important and it may be that in the result there will have to be some very agonizing adjustments made. I hope that these will be less agonizing than is feared and that adjustment loans and other assistance will be made, I do not like to use the word liberally—

Mr. Jamieson: It has good uses sometimes.

Mr. Lambert (Edmonton West): I would use it with a very small "l"—so that the maximum benefit is extended to Canadian industry as a result of government action. I would hate to think that the measures which are to compensate for these changes are going to be administered, shall I say, in the most difficult, mortgage company sort of way, if I may use that term—and I apologize to the mortgage companies for using it. What I mean is that I hope things will not become extremely difficult and legalistic methods used to deny individuals assistance. It is in the interests of the Canadian government to assist these industries as much as possible rather than assisting them only after the government has presented them with a list of qualifications ten pages long. This approach, to me, Mr. Speaker, is wrong.

• (3:30 p.m.)

A spokesman for the government has said: "Yes, we made these concessions; but our trading partners made companion concessions, and these will give Canadian industry a much greater chance to expand its trade". Well, Mr. Speaker, there I pause because I think a reliance on what is expected to be a natural consequence would be dangerously naïve. Why do I say that? I say it simply because so many of our trading partners use non-tariff barriers which were not part of the negotiations under the Kennedy round. Let us all admit that. My goodness, if we consider some of the trading practices of some of our trading partners we may wonder why we call them partners. I will not quote a list of countries that impose quotas or border taxes, that have special financial requirements or that, like our friends to the south, introduce special building codes under their federal housing administration or ask their people to buy American under their "buy American" legislation. In Britain, too, they have restrictions. The central electricity authority can only buy from the provisioners in England and cannot give others specifications. The Japanese have their restrictions; incidentally, we also have quantitative restrictions on trade because the trading practices of some of our trading partners have had a deleterious effect on our production. It is for these reasons that I say that too great a reliance on increasing our proportion of exports as a result of the Kennedy round negotiations is naïve.

Our exporters will have to sharpen their pencils and become more aggressive. Our government will have to assist them to become more aggressive, not necessarily by grants, in which I do not believe, but by providing services through our trade commissioners. Yet I say this: I do not care how much you assist production or how much you increase production; unless you sell the goods you produce at a profit the exercise has been completely and utterly useless. As a matter of fact, it will have been a disservice to the nation.

I will not discuss any matters in detail at this time since I prefer to discuss them clause by clause. There is one exception to this. Yesterday afternoon I asked the Minister of Industry, Trade and Commerce, who is the minister responsible, a question about the machinery advisory board since the importation into Canada of machinery at a reduced or entirely waived rate of duty has been transferred to his jurisdiction. If hon. members will consult the transcript of evidence taken at the committee hearing they will see that I questioned this transfer of jurisdiction. This is a question of duty, Mr. Speaker, and

as such, in my thinking should have remained with the Department of National Revenue. It is not a question of building another empire under the Department of Industry.

I do not want to dwell at great length on the vicissitudes of the Department of Industry or on the great pains that some took to justify its separate existence and extension. Despite the unanimous view on the part of the opposition that it should never have had a separate existence and should have come under the Department of Trade and Commerce, with a changed name perhaps, we find after four years and an expenditure of $4 million that we now have a Department of Industry, Trade and Commerce.

[*Translation*]

Mr. Speaker, the more things change, the more they are the same. Do you not agree?

[*English*]

It is my view, therefore, that we would have been better advised to maintain the machinery advisory board under the Department of National Revenue. We need not call it a board. I also think that section 15 of the Department of Industry Act never contemplated the setting up of this type of thing. The house was never really advised what would be the case, and what happened happened in general terms. I therefore feel that that operation would have been better carried out under the Department of National Revenue.

I have stated my reasons and reservations with regard to the ultimate considerations that may move the cabinet and the minister to pass orders in council remitting duty. I think that here there may be a subject of, shall we say, equivocal decision. In this area equivocal decisions may be made by the governor in council under legislation. It is all set out in the minutes I referred to and I will not repeat it. I merely invite hon. members to see what was said at that time. From the way the officials that were concerned answered certain questions I thought they were at some pains to justify the procedure that had been outlined.

Since there are other members who wish to make statements at this time I will conclude my remarks until we come to the individual items.

Mr. John Burton (Regina East): Mr. Speaker, having regard to the subject matter of the bill before the house it is only natural, I think, that we should consider the philosophy of free trade. Perhaps most hon. members pay tribute to this philosophy; certainly this party is committed to a policy that favours the freeing of international trade, not only with regard to this country but with regard to the entire world. We feel that free trade would contribute to international economic development, to the economic development of Canada and would materially contribute to the eazing of world tensions. Nevertheless, when we consider all these problems we find that talking about them is much easier than solving them. Factors beyond Canada's control militate against our pursuing the objective of free trade in world markets. Since other countries follow policies which tend to restrict world trade, those policies are some of the factors that are beyond our control.

This afternoon I wish to refer briefly to a number of matters which are within our jurisdiction and competence and the factors we must consider when discussing the implementation of this bill. When the Kennedy round negotiations were begun there was great hope throughout Canada and many parts of the world that trade might be liberalized. Unfortunately, what we have achieved is something less than what we hoped for.

It is important for us to recognize the limitations of the gains which have been made as a result of the Kennedy round negotiations. Although we approve of the gains that have been made we must recognize that we have not achieved all our original objectives. We must also recognize that those gains will not all produce fundamental changes which are desirable. At the same time there is a need for constant vigilance with respect to world trade and trading patterns. We need to measure the impact of the changes being made in the Customs Tariff and take action to deal with effects which may hurt or hinder sections of the Canadian economy. I have in mind, particularly, certain problems which may be faced by the agricultural industry. I have already referred to some of them during the resolution stage of the bill, and the parliamentary secretary has also made some comments in this connection. I have no wish to labour the point at this stage, but I repeat my recommendation that the government keep in constant touch with the effects of these changes on various sectors of the Canadian economy.

• (3:40 p.m.)

The whole subject matter of this bill and related measures is, of course, an integral part of Canadian history. There is no need to

repeat the story involved in the debate which has traditionally taken place in Canada between advocates of free trade and advocates of protection. New approaches are needed today and new approaches are on the way. We are long since past the stage of the infant industries we once knew in this country. Indeed, Canadian industry has now reached a point at which we should be considering the problems raised by maturity and the steps which should be taken in the light of the maturity in our industry and in our economy.

One important step which I feel could contribute materially to the further development of our industry is, of course, the establishment of a Canada development corporation. I do not, of course, intend to discuss this subject now; we have been told that a measure to this effect will be brought before the house during the present session. I, for one, will welcome it, and I hope that when it is introduced the bill will be a much more effective measure than has been indicated so far.

This afternoon I should like to discuss some of the policy considerations arising out of the changes we are considering in the Customs Tariff. The first concerns the necessity for redirecting some of our trading operations. I raised this matter on the resolution stage and I should like to refer to it again briefly. It is well known that some 60 per cent of our trade is carried on at present with the United States; it is only natural that a great deal of it should go in this direction. It has been suggested on many occasions that some redirection of our trading pattern is desirable. The Kennedy round concessions are such as to affect to a great extent our trade with the United States. Indeed, it has been noted by the government itself as well as by publications dealing with this subject that a great many of the concessions which involve Canada affect our trade with the United States. This situation, it seems to me, will result in problems still greater than those we have been facing over the past number of years.

I have already suggested that in order to achieve some measure of redirection of our trading pattern we might consider the whole area of light consumer goods in which we presently trade. Many of these goods now come from the United States. If these articles were bought from other countries with which we would like to increase our trade, I think it would result in a better balance of trade in the long run both with the United States and with other countries of the world.

Reference has been made to the question of foreign ownership. I think this is closely related to our trading pattern. It comes up again when we consider such matters as the rationalization of industry and the restriction one now finds on the further development of secondary industry in Canada when it comes to making greater and better use of raw materials produced in this country. This subject is referred to in the Watkins report, which is familiar to most hon. members. The Watkins report made a number of recommendations for dealing with these problems. For example, it referred to the possibility of setting up a state trading agency which could deal with United States subsidiaries which face the restrictions involved in the trading with the enemy act across the border.

We must also recognize, I think, that the corporate decisions of multi-national corporations are often not related to the national interest of Canada. It seems to me the government is responsible for taking action to ensure that Canada's national interest is protected. It could also be said, I believe, that in many instances these companies, multinational corporations among others, would play the game if the government were to set out the rules under which they had to carry on their operations and make their contribution to the Canadian economy.

There is one other area which, in my view, is related to our considerations today. It has to do with the rationalization of industry. This, it appears to me, is a necessary complement to the liberalization of trade. The process of rationalization has in many cases been hampered by past policies and by the pattern of ownership of Canadian industry. It should be borne in mind, too, that the achievement of free trade does not necessarily bring with it the economic benefits we would all like to see. Hon. members have already referred to the difficulties arising in connection with farm machinery. Even though provision has been made for the free movement of farm machinery across the border with the United States, this has not in fact produced all the benefits we would like to see.

Mention should also be made of monetary policy and its relation to the subject now under consideration. Canadian freedom with respect to monetary policy has, of course, been restricted in recent years. I feel we ought to revise our monetary policy. We have heard references to the desirability of a floating exchange rate, an idea which even some members of the government have recommended from time to time. It is, of course,

necessary to follow a policy of full employment if we are to take advantage of some of the opportunities which may be opened up by wider trading opportunities.

In summary, it is important that we do not overestimate the gains and concessions which have been achieved through the Kennedy round. Although we have approved them, it would be a mistake to suggest that in themselves they provide any fundamental solution to the difficulties facing the Canadian economy. Furthermore, we are bound to give consideration to the policy implications of this measure, namely, the redirection of our trade, foreign ownership of our industry, the necessity for the rationalization of industry and the necessity for the revision of our monetary policy.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I think that in the past four years no measure passed by this house has so profoundly affected the livelihood of Canadians as will this bill which has been proffered by the government for our approval at the present time. I do not think any piece of legislation has received more publicity over the months than this bill, nor has any standing committee of the house been engaged more earnestly in the consideration of representations. This emphasizes the genuine importance of the legislation.

• (3:50 p.m.)

I must pay special tribute to the negotiators on the Canadian team at Geneva who worked tirelessly for many years, but I think they will be the first to admit that in many ways this legislation may be obsolete even before it is implemented. I say this because of the fact that the trading patterns of the world are constantly changing, perhaps faster in the present day and age than ever before in the histories of the nations involved in the Kennedy round negotiations. I think this must be taken into consideration by Canada, as I am certain it is by other nations, in looking at the terms and provisions of the bill before us.

For many of our Canadian industries and for agriculture in particular, any talk or discussion about changing tariffs is a matter of very real concern. Many of our industries are directly dependent on protection for survival because of the manner in which government has run the affairs of the nation over the years. Many industries have expanded under the climate provided for them. Now they suddenly find that the very government regulations permitting their existence may be changed by the stroke of a pen.

Last spring, Mr. Speaker, there was merely an intimation by a cabinet minister that certain provisions could be changed and the normal pattern of an agricultural industry disrupted. I am speaking of the Canadian greenhouse industry. That was enough to change the credit rating of particular companies with certain banks, and in the end some found it impossible to survive and went into bankruptcy and others were very hard pressed. Over the past few months we have seen the government act by the implementation of additional duties and the application of non-tariff barriers to prevent the inflow of free trade in certain commodities into Canada in an attempt to stave off bankruptcy for some industries.

There is no doubt that the aim and object of those negotiating at Geneva, to encourage freer trade among nations, were advanced with a definite goal and idea in mind, but we here in Canada must take a hard look at the facts as we see them. Will Canada and its industries in their present form survive under a change in the tariff items, which are to be progressively lowered over the next five years? Or will there be a drastic upheaval in Canada? We are told, and perhaps rightly so, that by the genuine desire of all nations to lower tariffs and permit a free exchange of goods Canada will directly profit. A classic example is the fact that this will open up the large market to the south of us for an expansion in our exports.

A previous speaker has pointed out the fact, and quite rightly so, that although there is no tariff on farm machinery so far as Canada is concerned this has not expanded the Canadian industry. As a matter of fact, it appears to me that whenever an action like this is taken we see a very rapid expansion in the use of our Canadian market by the country to the south of us and a consequent deterioration of secondary and primary production here in Canada.

I give another illustration. There is no duty on the importation of soybeans into this country, with the direct result that our market depends entirely on prices established in another country. If those prices were not pegged at a minimum level by government action in the other country, prices here could drop to a point where it would be absolutely

impossible to have economic production of soybeans in this country.

No one from the government side, in the house or in committee, has shown how we shall recover economically the moneys lost by the reduction of tariffs between countries. The classic example generally put before us is the automobile trade pact between the United States and Canada. I think that this is a far greater industry managed market than any of us imagine, which brings up another point.

It occurs to me that when there was tremendous pressure brought to bear at the Geneva conference on nations belonging to the GATT organization to lower tariffs, perhaps the primary reason behind it could have been more of a selfish than an idealistic or philosophic one. It seems to me that when we have a reduction in tariffs straight across the board, as was requested by the United States but a negotiated one so far as the Canadian negotiators were concerned, it lends itself ideally to the changing trade patterns of which I spoke under which we now have the formation of international corporations. No longer are we faced just with the importation into a market in Canada of produce in short supply or produce to supply a market that has been cultivated by local producers. No longer is it just a matter of certain importers, wise in the ways of business, taking advantage of short supply. It seems to me that the customs tariff reductions we are faced with today provide the very climate necessary for international corporations to purchase wherever and whenever they choose on the markets of the world goods in surplus supply at fire sale prices and then use their large international distribution systems to take advantage of short supply in other sections of the globe to the detriment of the local producers or manufacturers. I think this is what is in the minds of many small businessmen, small producers and many secondary industries when they view the ramifications of the piece of legislation which is before us.

• (4:00 p.m.)

One outstanding example I might note at this time of the fear expressed in many segments of the economy is the tremendous interest shown in the companion bill that will be brought forward, the anti-dumping legislation. It seems that the one somewhat contradicts the other. If the purpose of liberalization of the tariff is to make free trade the optimum and the absolute for world nations, why then is it so necessary to place such emphasis on the companion anti-dumping bill? Why is there such interest shown among many successful trading nations that its application be not just nor swift? It seems to me they well know already that if our present machinery for protecting our markets is modified in any way they will suffer direct capital consequences. I am of the considered opinion that the lowering of tariffs by this particular piece of legislation will be more than offset by the anti-dumping provisions as has been exhibited in the debate this afternoon.

We find here in Canada, especially in agriculture, that when we attempt to take advantage of foreign markets in many instances, because by reason of very favourable weather conditions, a very favourable production quota or the efficiency of our farmers or producers we have been able to produce a surplus of a top quality product, it is the non-tariff barriers erected in other countries that make it impossible for us to take advantage of what normally would be a profitable maket. It seems to me that if the countries involved were as sincere in making their markets available to Canada as this government seems to be in making Canada's markets available to them we would not have the actions we see to the south of our border where from time to time and even now additional and unexpected tariffs are imposed against our commodities. Additional unexpected and overnight qualifications concerning inspection methods are applied to our commodities. If the United States were as sincere about dropping its tariff barriers as this government is, I do not think this situation would exist at the present time. If we find such action taking place in the days and months ahead I can assure you, Mr. Speaker, on behalf of the major exporters of our manufactured products and produce of our soil, that any ratification we may give today to the bill before us will be paid for in the economic climate in which Canadian citizens will be forced to work.

I am very unhappy about the ramifications of this bill. It represents a downward trend in the protection we have enjoyed to date and which in many instances we have considered not enough. However, in its wisdom the government has already agreed in general to the terms they are putting before us. In the eyes of the organization at Geneva it is a *fait accompli*. We are asked to ratify terms which already are in effect. Although I have the greatest admiration for the patience of those

who negotiated for us, I feel that in the climate in which they were forced to work and with the pressures that were brought to bear on them they had little opportunity to do for the citizens of Canada the work they would have wanted to do in order to provide the necessary climate, as I said before, for an expansion of our various industries. We shall wait, as we must, to see what will happen. However, when this matter was first brought before the house the minister assured us there would be extreme hardship in some instances and that measures might have to be taken by the government to offset the economic hardship in the extreme cases. In the light of that statement we do not have the right to be confident, and with companies going into bankruptcy just because of an intimation of what may happen I think all Canadians have every right to feel uneasy about the legislation before us.

Mr. A. D. Hales (Wellington): Mr. Speaker, before we leave the second reading stage I should like to make one or two brief comments on the bill before us to amend the Customs Tariff Act, with particular reference to the heavy electrical industry. We can alter the Customs Tariff Act by amendments all we like, but it will not mean one iota unless we do something about these non-tariff barriers which have such a great effect on our country's exports. I shall confine my remarks to the heavy electrical and switch gear industry because in my riding there are at least 1,000 people employed in this industry. Prior to 1960 this was a very profitable business, but in the last seven years it has done nothing but go downhill to the point where some of the companies engaged in the industry have gone out of business. I think of one company in particular, the Westinghouse Company, which has ceased to make heavy water-wheel generating equipment because it just cannot obtain export orders on account of the non-tariff barriers with which it is confronted.

These companies have prepared detailed studies on this problem. They have pooled their information. They have found that there is a dual pricing system and also a dual costing system in several exporting countries, chiefly the United Kingdom. The normal value for duty purposes thus presents a very serious and difficult situation because it is difficult to establish the right cost or price. In the United Kingdom the Central Electrical Generating Contract Board is the principal purchaser of all heavy electrical equipment in the United Kingdom. With the two-price system, one for domestic and one for export, the export price is allowed to absorb a lesser amount of overhead and the extra amount is charged to the domestic price. They have a two-price system, one for export and one for domestic, with the result that the Canadian companies are unable to compete with these prices and thereby are losing a great amount of export business.

Just recently the General Electric Company placed a quotation with the Canadian government to supply heavy transformers for the Canadian Nelson River project. United Kingdom Electric also quoted on this tender, as did a company in Switzerland and also another Canadian company. There were four quotations. I understand the General Electric quotation was the second lowest, the lowest being that of United Kingdom Electric. The Canadian government saw fit to award the contract to the United Kingdom Electric Company, knowing that the United Kingdom will not allow Canadian Companies to tender in the United Kingdom. This contract was an initial contract for about $8 million. The result was that the Canadian company lost out. This meant that employment for 700 people for a year was lost to the Canadian market. This hardly seems fair.

We must look into these non-tariff items so that we can play on the same ball diamond with the same set of rules. If we can, there is no doubt that Canadian manufacturers could obtain considerable export business and at the same time supply our own local requirements. Let us correct these non-tariff barriers and keep Canadians employed. If we operate under the same set of rules there is no doubt that Canadian manufacturers can get the business. However, if they have to play under a different set of rules they cannot compete and they will lose the business.

• (4:10 p.m.)

This is a very serious matter. In my constituency the company to which I referred intends to lay off 130 people this month because of the loss of export business. If something is not done for the heavy electrical industry in Canada it will disappear. The situation is as plain as that. Even with the anti-dumping legislation to come into effect on January 1, 1969, we will lose these industries. This legislation will be of no avail unless something is done about these non-tariff barriers. I sincerely hope the officials of the department will take every step to make it possible for Canadian suppliers to operate and compete on an equal basis.

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a few things to say about this legislation and all this talk about free trade. It very often frightens me because many countries have been built on other than a free trade basis. Not long ago the majority of trade could be termed closed trade. Let me give an example of what I have in mind. The salt industry is of great importance to the welfare of the people in the area I represent. Before the Kennedy round of negotiations bulk salt, which accounts for most imports and exports of salt, came into Canada at a tariff rate of 3 cents per hundredweight. Canadian salt exported to the United States carried a tariff rate of 1.5 cents per hundredweight. I understand that in 1970 United States salt will come into Canada free but the United States will still charge .8 cents per hundredweight.

I am sure everyone in the area I represent is aware of the existence of salt deposits on the west side of Lake Huron. The difference in production costs is made up by the increased cost of transportation. I referred to this matter during the committee hearings and received sympathetic consideration by departmental officials. I also received the assurance of the then minister of finance that this situation would be the subject of renegotiation if the Canadian salt industry was being jeopardized. In any event we will have to wait until 1970 to ascertain whether the Kennedy round negotiations will have an adverse effect on the salt industry in Ontario. Should this prove to be the case I trust the government will honour its commitment and renegotiate these tariff rates.

At this time I should also like to refer to the Canadian glove industry. Glove producing companies are almost going out of business, thereby jeopardizing the employment of many people, because of the tremendous importation into Canada from other countries. I shall not mention them all but I should like to put on record the figures in relation to gloves imported from several countries. Canada imported gloves of several varieties, including knitted, woven and of synthetic fibers, from Communist China to the extent of 369,000 dozen; from Hong Kong, 165,000 dozen; from Japan, 426,000 dozen; from Taiwan, 170,000 dozen, and 114,000 dozen from the United States. This situation has made it almost impossible for this Canadian industry to remain active. Many of these glove companies are located in small towns and are no longer in a position to employ the same number of people. As a result these small towns become smaller because the people are moving to the cities. This in certainly not good for the economy of these areas. I hope the minister and his parliamentary secretary will take this matter under consideration to see whether something can be done.

Let me refer to another situation in my constituency. At one time we had a sporting goods industry which shipped ammunition all over Canada. Because of the high cost of transportation this business has been almost completely closed down. In order to overcome difficulties the owner began to reload shells. He found it necessary to import a certain constituent from the United States at a tariff rate of 7½ per cent. The government increased that rate to 22 per cent, which represents a 300 per cent increase. Most people expect some increases, particularly in respect of small volume items, but this seems to be outrageous. I should like to ask the government to take this situation into account to see whether something can be done as quickly as possible in order that this firm in my constituency can stay in business.

• (4:20 p.m.)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to say a few words about Bill No. C-131 to amend the Customs Tariff.

Everyone agrees that the Customs Tariff is an extremely important matter, especially with regard to the encouragement the Canadian parliament must give to the production of Canadian goods and, consequently, with regard to the encouragement we must give our agricultural and industrial workers, as well as producers of all kinds in Canada, and that includes of course all classes of our society.

Mr. Speaker, hon. members as well as the people as a whole are struck quite often by the considerable difference between the price of the products made in Canada and that of the products imported from various other countries in the world.

For instance, our textile industry faces a very threatening competition. Textile products from Japan and other Asian or European countries compete unduly with the Canadian industry. In fact, in the eastern townships, in the areas of Sherbrooke and Drummondville, plants are facing an unfortunate, and even hostile competition.

Certain companies have threatened to close down and others have to cope with strikes

which are difficult to settle because employers refuse salary increases to their employees, precisely because of the excessive cost of production, or the lower production cost of goods coming from other countries, including Japan.

The same problem prevails in the field of rubber, Mr. Speaker. We can buy boots made in Japan for about half the price we pay for boots made in Canada, and our industry suffers by comparison.

The situation is just about the same in all sectors, including the automobile industry. Small European cars, for example, are stiff competition for our Canadian industry. In the final analysis, it is the Canadian people who pay for the price increases at home which are due to higher salaries, production costs and profits. All these factors make up the cost price of goods.

Obviously, Mr. Speaker, with a population of 20 million people, Canada cannot produce goods as cheaply as countries whose population is 80, 90 or even 200 million people, such as the United States, for example. Our cost of production is higher.

We cannot produce more and, therefore, the government must protect Canadian industry first of all. In doing so, I think—I do not only think, I am sure—we protect Canadian workers and the Canadian people. In fact, in many areas of our production, we must, when we want to export on the world market, agree to considerable reductions in prices and even sell at a loss. It is not very profitable for Canada but we must, in any event, dispose of that surplus of goods.

But here again, Mr. Speaker, there is a point to which I would like to draw the attention of the house: the best outlet for the Canadian goods we must export, or we must sell at any cost, is still the Canadian market, the market made up of the consumers in Canada. And it is incumbent on us, parliamentarians, to meet the needs of those Canadian consumers. That is a steady market, a market which is always within reach, and we neglect it to turn to world markets. We must, of course, think about imports, exports, and at least balance our trade with other countries.

We must import from other countries what we do not produce in Canada; just as we must export goods that other countries which may not have as plentifully as we do. That applies, for instance, to lumber, Ungava iron ore, oil, these resources we have here and we must export. But we must, first of all, meet the demand on our domestic market, the Canadian market.

Mr. Speaker, with regard to the Act to amend the Customs Tariffs, on reading the table, I feel that experts were needed to figure out the Customs Tariff, because there are over 120 or 125 pages of amendments of all kinds. Most of the time we see references to the British preferential tariffs of 10 per cent, or 15 per cent; to the most favoured nation tariff of between 15 and 20 per cent; and to the general tariff which applies to the other countries, which do not benefit by the most favoured nation tariff or the British preferential tariff, of 20, 25 30 and 35 per cent. Those who compiled those figures really got their brains working to give Canada a chance to make some profits through the application of the Customs Tariffs but that does not solve the problem of our market, our Canadian production, and above all that of the distribution of our goods.

Even though we do have to export some goods and import others, one fact remains, as I said a while ago: we definitely cannot compete with countries that have a population of 90 or 200 million people. For example, when we compare the United States and Canada, we realize that a worker over there produces five times as much as a Canadian worker. Why? Because they have almost unlimited means of production. Here, in Canada, we only have a population of 20 million people, and even if we wanted to pretend that it is 50 million, it is not true. Nor will it be tomorrow either. It could be true 25 or 50 years from now, but it cannot be at the present time.

Therefore, I believe the government should introduce not only Bill No. C-131 but another one, making it possible for us to satisfy consumer needs, domestic market needs, to prevent—I shall not say dishonest competition—but rather unpleasant competition against our Canadian producers and industries. It is unreasonable to deprive our workers of work in this country, just because we find it cheaper to buy from Japan.

We all know from experience that the United States have established industries in Japan. The Westinghouse company, for instance, and other industries established over there are owned by Americans. Industries were established in Japan because production is cheaper over there than in the United States. The transportation of those products from Japan to the United States even costs less than producing them directly in the United States. So, production

is cheaper in Japan, transportation costs included, than in the United States. Why? Because people are paid less in Japan than in the United States.

• (4:30 p.m.)

Here, in Canada, labour unions are demanding wage parity with workers in the United States. They are asking for the same conditions as those which exist in a country with a population of 200 million. Labour leaders who talk about wage parity with workers in the United States have their head in the clouds; they are not being realistic.

If we could produce like the United States, as much and as quickly as they do, the problem would be solved, but that is a physical impossibility. We must therefore face the facts and learn to be ourselves. Our population is 20 million, not 200 million people. The union leaders should understand that once and for all.

We must realize that we are not the United States. Let us organize ourselves according to our own possibilities, in order to meet the needs of our own trade and our domestic market. Let us face the fact that we will probably have to sell our surplus production below cost, as I said earlier.

However, we will then perhaps be able to help the underdeveloped and poor countries of the world, since two-thirds of the people in the world are in need. We would then be able to give free assistance to these people. I do not object to our giving free aid, once the principle of "Charity begins at home" is applied in Canada by the Canadian government.

Let us begin by meeting the needs of our own people. There is much poverty in Canada. The government is introducing programs to fight poverty as effectively as possible. The best way to fight poverty is to give something to eat to those who are hungry, something to drink to those who are thirsty, to give housing to those who need it and clothes to those who have none. It is as simple as that and we have all these things in Canada. Therefore, there is no need to go to Japan or to the United States.

However, that does not prevent us, once again, from doing business with others. But let us do so while remembering that our first duty is to work towards an economic system which will guarantee without superhuman efforts the just society which we have heard about for the last couple of years, and which will fight efficiently, not the poor but poverty, to get the poor out of the hole in which they are at the present time. And if they are now in a poor situation, they are not responsible for it but we are as members of parliament. Therefore, it is up to us to pass legislation which will guarantee respect for the human person everywhere in Canada and to see to it that we transact our business under the best possible terms with the other countries so that Canada may continue to expand and become an example for all the countries of the world.

[*English*]

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

The Chairman: Order, please. House in committee of the whole on Bill C-131, to amend the Customs Tariff.

On clause 1—

Mr. Gray: Mr. Chairman, perhaps I could start by saying a few words about the structure of the bill we are now studying and conclude by dealing with some of the points raised by hon. members during the second reading. I will also attempt to answer the questions that I reserved for this stage during the debate on the resolution. I should explain that each clause of this bill flows directly from the corresponding paragraphs of the budget resolution relating to the Customs Tariff. You will recall that this resolution was examined in some detail and passed by the committee of ways and means after debate on November 14 and 19. There is no change whatsoever in the substance of the provisions which appeared in some detail in the resolution in question. However, the order in which they appear has been rearranged so that in the bill the various clauses and schedules are in the same order as the related provisions of the Customs Tariff Act which they amend.

The Customs Tariff Act, which the bill we are considering amends, commences with an interpretation section. It continues with sections imposing rates of duties set out in schedule A thereto and empowering the governor in council to make regulations. Next come the three schedules. The first of these is schedule A enumerating goods subject to duty and free goods. If you look at the original Customs Tariff Act you will see it is very long. It is followed by two shorter schedules, schedule B providing for certain drawbacks of duty and schedule C containing a list of goods prohibited from importation. Therefore

the clauses and schedules in Bill C-131 are arranged in the same order as in the Customs Tariff Act. Bill C-131 commences with a proposal to insert a new definition with respect to wire in the interpretation section of the Customs Tariff and ends with an amendment to schedule C of the act. However, the most important provisions of the bill are those in between which provide for the reductions in the rates of duties set out in schedule A that are required to implement Canada's obligations under the Kennedy round trade agreement which was signed in Geneva on June 30, 1967, and generally which have been in effect on a provisional basis since January 1 of this year.

When the committee of ways and means was concluding its examination of the tariff resolution on November 19 I said I would attempt to supply later on in the debate some information in reply to some of the questions that were asked. First let me attempt to deal with some of the questions raised by the hon. member for Swift Current-Maple Creek, and I want to thank him for his most interesting presentation. He has certainly done a lot of work in looking into this question. As I recall his remarks, he argued that the proposed tariff amendments now before parliament would have the effect of imposing a duty on some farm equipment which is now duty free. I have gone into this with officials of the Department of Finance and I am glad to be able to assure my hon. friend that this is not considered to be the case. It should be noted that the proposed amendment to the heading for items 42761-1 and 42762-1 is merely consequential to the proposed amendment to item 40938-1 dealing with tractors. The coverage of the two items I have just mentioned will remain the same. They do not cover machines and tools for use on tractors which are used on the farm for farm purposes only. These are provided for and will remain in duty free tariff item 40924-1. This item was formerly numbered 409(f). I might add that the numbering was changed not as a result of the provision we are considering now but was changed several years ago to aid the Dominion Bureau of Statistics in collecting information on the products in question. As I was saying, the status of item 409(f), which has been renumbered 40924-1, is that it is the main item providing for free entry from all countries of farm implements and farm machinery. Again I should like to assure the hon. member that the item is not affected by the bill before us and it does not appear anywhere in it. Farm tractors also remain free of duty as before.

I should like to tell the hon. member that his suggestion that item 409(f), which is now item 40924-1, be amended has been noted for future consideration. I am not in a position to make any commitment about it and, as I have said, the item does not appear in these resolutions. However, I would be very pleased to arrange to have the hon. member meet with the director of the tariff section of the Department of Finance so that he could pursue this question further.

The hon. member for Saskatoon-Biggar also asked several questions. First of all I believe he asked about Japanese tariff reductions as they affect soybeans and rapeseed. I am informed that the Canadian negotiators in the Kennedy round attached a high priority to the reduction of the Japanese tariff on rapeseed because of the importance of the Japanese market to Canadian producers. However, Japan did not grant a tariff concession on this product, and it is a matter of concern that this reduction was not made since the Japanese government did make a 50 per cent cut in its tariff on soybeans which will carry the rate on that product in stages from its pre-Kennedy round level of 13 per cent to 6.5 per cent by 1972. In his question the hon. member referred to a reduction in the tariff on the importation of soybeans into Japan from the United States. I am informed, however, the reduction is one of general application and is not limited to imports from the United States. I would also point out that Canadian sales of rapeseed to Japan have doubled in the last few years, from $12.9 million worth in 1965 to over $25 million worth in 1967. Canadian exports in the first nine months of 1968 totalled $18.1 million. I can assure the hon. member that the government is continuing its efforts to improve access for this particular product to the Japanese market.

• (4:40 p.m.)

The hon. member also asked about access to the European common market for wheat and feed grains. The only improvement in this respect is that which has resulted from the new cereals arrangement. It was the objective of Canada and, indeed, of other wheat exporters in bringing the negotiations on cereals within the ambit of the over-all Kennedy round of trade negotiations, to seek a comprehensive arrangement with provisions going beyond those of earlier international wheat agreements. Therefore the negotiations covered feed grains as well as wheat, and dealt not only with international prices but

also with domestic policies, access to import markets and food aid. However, it was only possible to reach agreement with respect to wheat prices and food aid. I am sure all hon. members share the disappointment of the hon. member for Saskatoon-Biggar that the Kennedy round has not yet resulted in Canada achieving improved tariff access for our grains in western Europe. However, during the Kennedy round trading nations for the first time did try to grapple with the problem of domestic supports and internal subsidies.

The Leader of the Opposition asked for a breakdown by major countries of the over-all figures which I gave related to the increase in Canadian exports in the first nine months of 1968. I now have comparative data, Mr. Chairman, for exports to each of our major markets in the first nine months of 1967 and 1968, and the figures are as follows. I can read the figures into the record at this time, though the committee may prefer to have them printed as a table in *Hansard*. Might I ask at this time, Mr. Chairman, whether I have the consent of the committee to have this done?

The Deputy Chairman: Is that agreed?

Some hon. Members: Agreed.

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

	1967	1968
	(millions of dollars)	
All countries	8,344	9,881
United Kingdom	868	925
United States	5,275	6,625
Belgium	74	91
France	58	61
Germany (Federal Republic)	120	165
Italy	106	95
Netherlands	125	124
Norway	65	76
U.S.S.R.	109	82
India	121	91
China (Communist)	89	128
Japan	429	453
Australia	115	145

Mr. Gray: May I now deal, Mr. Chairman, with some of the other points made in the debate on second reading. The hon. member for Edmonton West went into some detail on the importance of the negotiations and the resulting legislation that is now before us. I think it is useful to remember that the standing committee on finance, trade and economic affairs held some 22 meetings for the purpose of studying the resolutions which are now reflected before us in Bill No. C-131. The committee heard many briefs from groups and members of the general public as well as evidence from government officials and ministers. I think we should keep in mind the detailed study that was given to the resolutions at that time and perhaps agree that this committee of the whole house may not feel it necessary to carry out the work that would have had to be done had the standing committee not been given the opportunity of making a detailed study of these proposals.

The hon. member for Edmonton West referred to the manner in which certain tax changes were continued in effect when the house was dissolved for an election. It is my understanding that no tax increases were kept in effect by order in council. On the contrary, Mr. Chairman, the order in council in question was put into effect for the purpose of continuing reductions in duties.

In this regard I might draw the attention of the committee to a statement made by the Minister of Finance on April 26, 1968, a statement which was issued in the form of a press release. In it the minister said that all of the proposed reductions in duties were being continued in effect by means of an order in council, under the authority of section 22 of the Financial Administration Act.

The minister did note at the time, that the budgets of June 1 and November 30, 1967 and the resolution introduced on November 6, 1967, resulted in higher customs duties on some imported products, and in line with the traditional and long-established practice followed by various governments of various political persuasions these increases had been collected on a provisional basis, pending parliamentary passage of legislation to implement them. However, he concluded his statement by saying that since the twenty seventh parliament had been dissolved before passage of the legislation in question, the Department of National Revenue was suspending the collection of the increase in customs duties effective April 24, 1968, pending action by the next parliament, and that the government would collect duties on the imports involved at the former rates.

The minister also went on to say that it was the government's intention to ask the next parliament to pass legislation implementing both the reductions and the increase, effective from the dates originally proposed in the tariff resolution submitted to the last session of parliament. This, in part, is the work that we are attempting to carry out at the present time.

I can assure this committee that the government is well aware that there may be

problems of adjustment for certain segments of Canadian industry, and this is why it has set up the general adjustment assistance program. It should be a matter of some satisfaction that to date, out of the hundreds of general inquiries received by the board, there have only been 11 formal submissions for assistance under the program, only one of which, if I am not mistaken, was based on an allegation of injury as a result of the various changes rather than a request for assistance to enable the firm in question to take advantage of additional opportunities created by the Kennedy round tariff negotiations.

The hon. member for Edmonton West and also the hon. member for Wellington drew the attention of the committee to the importance of dealing with non-tariff barriers. I can assure the committee that the government is certainly aware of the need for further action to eliminate non-tariff barriers. When I spoke on the resolution stage I believe I mentioned a special working party, of which Canada is a member, set up under GATT to develop programs for this very purpose. The GATT countries' working party is now examining how best to deal with the non-tariff barriers that are identified by member countries and, as I have said, we are taking a very active part in these discussions.

The hon. member for Moose Jaw repeated his suggestion about keeping in constant touch with the effects of the Kennedy round changes upon the agricultural industry. I can assure the hon. member that this is a practice that is now being observed. The hon. member also made some remarks about multi-national corporations. I think this committee should be aware that the Minister of Finance, when he spoke in New York on November 18, made it clear that the government is fully aware of the problems that can be created by multinational corporations for international trade. Certainly it is giving attention to the study of measures that might be put into effect to deal with these problems.

If I may deal briefly with one or two other points, Mr. Chairman, the hon. member for Huron wanted to know what effect the tariff changes would have on the salt industry. I can assure him that this situation is being kept under review. Present indications seem to be reasonably optimistic. I am informed that there are at least two new developments being introduced in the method of production. I understand that an announcement was made recently of a new salt manufacturing plant in Saskatchewan. Also may I reassure him that gloves have not been affected by the Kennedy round changes that are reflected in this bill. The tariff remains unchanged at 20 per cent British preferential, 25 per cent most favoured nation. He also made some reference to a higher duty on loading tools for shells, I believe. I am informed that changes in this matter will come about as a result of a ruling of the Tariff board rather than through any changes we are considering at this time. We are keeping this matter under review as well.

• (4:50 p.m.)

In conclusion, Mr. Chairman, may I say that various hon. members have made references to the possible effects of the tariff changes in question. I should therefore like to repeat again what I said when I concluded the debate on the resolution stage. Most of the changes we are considering now in the form of Bill C-131 have been in effect provisionally for almost one year, and therefore we are able to see actual results and definite trends with respect to our international trade. I think most observers will agree that the results so far are very encouraging.

I put some figures on the record when I spoke on November 19, pointing out that the Minister of Industry, Trade and Commerce, in a speech to the Canadian Export Association a few weeks ago, stated that in the first nine months of 1968 our merchandise exports reached $9.9 billion, up 1.6 billion or 18.4 per cent from the same period last year. I said:

> Meanwhile our imports have risen at a slower rate, by $811 million or about 10 per cent. In consequence I think we should be pleased to note that Canada is well on its way to achieving a $1 billion merchandise trade surplus this year... this will be the largest favourable trade balance recorded in the post-war period.

All this has happened since the Kennedy round changes went into effect almost one year ago. So, although one can understand the concern and apprehension which have been expressed, I think the actual facts shown by the figures should provide not only reassurance but also encouragement as to the positive effect over all for Canada, Canadian industry and Canadian workers of the results of the tariff negotiations reflected in this bill. Therefore I would certainly urge the committee to give this bill favourable consideration.

Mr. McIntosh: Mr. Chairman, I wish to direct some remarks to the parliamentary secretary following my remarks of November 14. I still wish to hear a definition of the term "internal combustion tractor". That definition ought to be included somewhere in this bill. Although the parliamentary secretary said

that the present wording of the resolution would have no adverse effect on farm tractors I can only say that I have dealt with the Department of National Revenue for 11 years as a farmer and I doubt that the officials of that department will take the opinion of the parliamentary secretary when it comes to defining farm tractors. I suggest that the matter should be clarified in the bill. As I said the other day, it is the duty of the Department of Finance officials to insert certain tariff items but it is the duty of Department of National Revenue officials to interpret them. Opinions on the correctness of interpretations vary. On several occasions I have had to deal with Department of National Revenue officials on a matter of interpreting terms inserted in resolutions by Department of Finance officials. I have had some experience in this field.

Frankly, I do not see how we can define an internal combustion tractor as anything but a tractor. You would have great difficulty in convincing Department of National Revenue officials that a farm tractor is not an internal combustion tractor. It is, in fact, an internal combustion machine, tractor or piece of equipment. Yet I doubt whether I could convince officials of the Department of National Revenue of the correctness of my remarks. Item 42711-1 lists:

> Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors—

Under item 40924-1 I am entitled to bring most of these things into the country; yet unless I show the officials of the department a copy of *Hansard* in five years time and allow them to read the remarks of the parliamentary secretary, there would be no way for them to know what parliament intended with regard to the definition of tractors.

A little while ago the hon. member for Kent-Essex said there is no tariff on farm machinery that is brought into this country. I know that other hon. members have made a similar statement in the past. It has been made over the years, and I can only say that it is erroneous. Everyone in Canada believes that that is the principle under which we operate; yet we do not work that way. Many farmers who have tried to bring in pieces of equipment that are covered by item 40924-1 have had a rude shock.

I received a letter from the Department of National Revenue recently. No matter whether an item says that a piece of equipment is to be used for farm purposes only, or whether it says that the implements listed must be agricultural tools not otherwise provided for, the department makes a certain kind of finding. The minister sent me this letter which says in part:

> It is the position of the department that in order to qualify as an agricultural machine an article must contain mechanical features and be recognizably "agricultural".

You will notice, Mr. Chairman, the two qualifications, "mechanical features" and "recognizably agricultural". I continue:

> The Tariff Board set forth this principle in Appeal No. 237 and it has been followed by the Board on other occasions.
>
> In other words, it must be determined at time of importation whether or not an article is an "agricultural machine". The fact that one particular unit may be for use on a farm does not in itself qualify the product as an agricultural machine.

In other words, there must be a user's certificate that the implement is to be for farm use. I continue:

> Similarly, an agricultural machine may, on occasion, be for other than farm use.

I said the other night that almost any piece of agricultural machinery may have another use than a farm use. Any piece of farm machinery may be used for a purpose other than that which it was originally intended for, and we do not deny that. We think, however, that the intent of parliament is not being carried out by applying narrow definitions rigidly, since it was the intention to allow farm equipment and machinery into Canada duty free. That is not the case so far as officials of the Department of National Revenue are concerned. My letter goes on to say:

> Some of the articles classified as agricultural machines are feed mixing machines, post drivers, stone pickers and transplanters. These articles are considered to be entitled to duty free entry under tariff item 40924-1 irrespective of whether they are for use by farmers or by others.

Certainly post drivers are not mechanical instruments. Other implements covered under item 40924-1 are not mechanical; yet they are allowed in duty free to be used on farms.

I wish to make a few suggestions to the parliamentary secretary who is piloting the bill through the house. He said on the 14th of November that he was in no position to accept proposals. I wonder whether he would not prefer accepting proposals to voting on amendments, since if we introduce amendments much time would be consumed.

• (5:00 p.m.)

My main interest in this bill relates to item 40924-1. When I was speaking the other night I believe I referred to equipment that is included under item 42711-1. I say there is a relation between the two. I am interested only in the clarification or interpretation of the articles listed in this entry relating to agriculture. It is my only concern with this whole bill. The difficulty has arisen because of the way in which this item was worded. It fails to portray the true intent of parliament to those who are responsible for its interpretation. This has cost the farmers of Canada many thousands of dollars in the payment of duty which parliament never intended them to pay. This affects any individual farmer who tries to bring equipment or machinery into Canada.

The suggestion has been made by officials of the Department of National Revenue that if farmers are not satisfied with the decisions reached as to duty they should appeal to the Customs Tariff Appeal Board. The last item to which I referred involved $300. If a farmer were to come to Ottawa and hire a lawyer it would certainly cost him much more than $300. This is why farmers prefer to pay than to fight these decisions. I maintain that hundreds of farmers have been obliged to pay this duty. Officials of the department, because of the power they have, can force farmers to do so even though they should not really have to meet these charges.

I can imagine what the parliamentary secretary will say after I have sat down. He will tell us he is in no position to change this item because it is related to the Kennedy round agreement. I want to tell him, as I said the other night, that this issue has been fought here for seven years to my knowledge. Former ministers have made promises similar to the one he has made—undertakings that it would be considered by various officials and taken care of. Well, the item with which I have been concerned, and in connection with which I have fought for seven years, has still not been fixed up despite promises by various ministers. This is why I intend, if possible, to propose amendments to this bill. I can tell the parliamentary secretary that what I intend to propose would not result in any change in the revenues of the department. I intend to suggest certain changes in item 40924-1.

I say that the sequence in which the items are listed is confusing to the public and confusing to the officials of the Department of National Revenue. There are 35 articles listed under the entry, all relating, presumably, to agriculture. The 23rd states: "All the foregoing for use on the farm for farm purposes only." I have a question to ask. Why does this particular item appear only two-thirds of the way down the list? Why is it in the 23rd position? Why does it not relate to the ten items which follow it? Is there a presumption that items 1 to 22 could be used for some other purpose but that when used for farm purposes they are allowed entry duty free? What differentiates articles 1 to 22 from articles 24 to 34? I suggest that in reality there is no difference at all.

Any piece of equipment, apparatus or machinery used on a farm today can conceivably be used for some other purpose. It could, for example, be used by industry. This is no argument for the department to put up when we know what the intent of parliament is, namely, that farm machinery shall be allowed entry duty free. The department will not accept an end-user's certificate. What will it accept? Practically nothing. It is concerned only with forcing an individual farmer to pay a duty from which the law is supposed to exempt him.

There is a possibility that item 23 could have been inserted in the wrong place in the list. It could be a printer's mistake. There is also a possibility that at one time the original list only contained 23 items and that item 23 was then the last on the list. This is probably what has happened. Items 24 to 34 may have been additions consequent upon amendments to the original list. If items 24 to 34 were to be treated in the same way as all the others on the list they should have been inserted above the present item 23. There is no reason for treating them differently from the preceding items.

It seems to me that as members of this house we would be abdicating our responsibility if we did not attempt to clarify this entry. Several of us have made representations to the government time and time again, to administrations representing both parties, but no change has taken place. I have stated on many occasions that the entry as it now stands is most confusing to those responsible for its interpretation. How could it be otherwise when one department is responsible for making these lists and another is supposed to interpret what they mean? Proof of what I say can be obtained by reading various decisions of the Tariff Board, and letters in the possession of departmental officials.

There are several ways in which clarification could be achieved. One would be to accept the proposal I made on November 14, 1968 to change the wording of item No. 34 from "All other agricultural implements or agricultural machinery N.O.P" to "All equipment, apparatus, machines and implements N.O.P. for agricultural use." I think this is what the members of the Tariff Board want. Then again, the position of article 23, which reads "All the foregoing for use on the farm for farm purpose only" could be changed, making it the last article in the list of items.

The third proposal I wish to make is that parliament should update the terminology of some of these items. For instance, there is a reference here to wagon boxes, which are no longer used on farms. If this were changed to "truck boxes" a useful purpose would be served. I would refer also to the use of the term "sprinkler irrigation systems". This may have been the original designation, but since that time we have become familiar with such descriptions as "flood irrigation", "ditch irrigation", and so on. If a farmer tries to bring in a motor which could be used on a sprinkler system and lets out, by inadvertence, that it is for use in connection with a flood irrigation system, the department says at once: it is taxable. This shows just how narrow these decisions can get.

I believe such changes as these would bring the entry into conformity with the intention of parliament, help keep the cost of farm produce down to a minimum, and carry out in practice a principle which has been recognized by the farmers of Canada for many years, namely, that farm machinery and equipment should enter this country free of customs duty. At any rate, this is the principle which is presumably recognized. When farmers try to take advantage of it, they find it is not.

I may have some other remarks to make later if I move amendments. However, I should like to give the parliamentary secretary an opportunity to say, if he can do so, that he will have item 23 moved so as to be the last item on the list. This will not change the revenue picture one bit but will make relations with the department more definite. This would clarify it so far as I am concerned. It will give us another opportunity to go after the Department of National Revenue officials about their interpretation. They are very cautious about this. They are very contradictory at times, depending on the article you want to bring in. At one time they will say, "If the item is of an active nature we will allow it in." At another time they will say, "If it is of a passive nature we will allow it in." They use both arguments against you when you try to get these items in. This is something the parliamentary secretary could do without too much disturbance to the bill or to Schedule A. So far as I am concerned it certainly would not change the revenue that the federal treasury gets.

• (5:10 p.m.)

Mr. Gray: Mr. Chairman, I would like to thank the hon. member for Swift Current-Maple Creek for his further remarks. Again he has shown how seriously he considers the matter and the problems that he feels are created by certain interpretations that are given. I think he is quite right in suggesting that the explanations I gave at the opening of the committee of the whole stage are in *Hansard*, and *Hansard* is a permanent record and he can take it with him to show the officials. In fact, if he thinks it would help I will go along with him.

Mr. McIntosh: I am thinking of the poor member seven years from now who will not know this is in *Hansard*.

Mr. Gray: I think these matters are recorded permanently in *Hansard* which is stored in various places. If necessary we could take the reference from *Hansard*, put it in a time capsule and leave clues as to where it could be found. The proposals made by the hon. member for specific changes in the tariff relate to item 40924-1 and, as we both agreed, this was formerly 409(f). Frankly I think the difficulty facing all of us, no matter what our intentions may be, is that 40924-1 does not appear in any way in this Bill C-131 which this committee of the whole is now studying. The hon. member is suggesting that we make some amendment to 40924-1 but, as I have said before and unless I am seriously mistaken, that item is not before us in any way whatever. However, I should like to reassure him—

Mr. McIntosh: Mr. Chairman, the parliamentary secretary has said that the item is not before the committee in any way whatever. Does he not admit that item 42711-1, which refers to machines and tools, is the same item as appears in 40924-1?

Mr. Gray: No, I cannot agree with my hon. friend on that point. It is quite a different matter.

Mr. McIntosh: The wording is the same with the exception of "internal combustion tractors," and I am asking the parliamentary secretary to give a definition of what is meant by internal combustion tractors.

Mr. Gray: Mr. Chairman, I wish I were in the position to give a definition in such a firm and final way as the hon. member asks. It might satisfy the hon. member, but perhaps it might not. If I attempted a definition I do not think it would have the conclusive form that he would wish to have it in his discussions with the officials of the Department of National Revenue.

Unless I am sadly mistaken about the purpose of item 42711-1, first of all, it is not in the way of a renumbering or a re-expressing of what is covered by 40924-1. It deals with a rather different matter. It is part of an attempt that the house is being asked to make to correct a ruling of the Tariff Board which deemed front-end loaders were to be covered under the same tariff item as tractors, and therefore let in duty free. This led to many representations, including some from the opposite side of the house, that this was detrimental to Canadian industry. For example, I think there was a plant in London, Ontario, which was making this equipment. The proposed item 40938-1 is designed to clarify this matter. Item 42711-1 is to make clear that if the tools in question are for the purpose of attachment to the type of tractors in question, but are not for farm purposes, then they are covered by the duty in question.

It is my understanding of the will of parliament, expressed in Schedule A of the Customs Tariff Act, that implements and machinery for farm purposes come in duty free, but that farm equipment is not included in this duty free provision under 40924-1 in quite the way the hon. member would like it to be. This may be something that requires further study and possibly further change, but I conclude by repeating that 40924-1 is not to be found in the bill that is before the committee of the whole in any way whatever.

Mr. Gilbert: Mr. Chairman, the position of the New Democratic party has been stated on the resolution stage and also on the second reading stage by the hon. member for Regina-Lake Centre. Therefore my remarks will be very brief but pointed.

The first matter I would like to draw to the attention of the parliamentary secretary is that there were three points set forth in the statement by the Consumers' Association of Canada when they presented their brief before the standing committee on finance, trade and economic affairs.

The first point refers to the desirability of stronger direct representation of consumers in future Canadian trade negotiations. I would assume that the reason for that was the shabby treatment that the different organizations and groups within Canada received prior to the entry by officials of the Department of Trade and Commerce into the Kennedy round negotiations. I think I should put on record that the trade unions were not contacted in any way whatever with regard to their position on the Kennedy round and, to say the least, the representation of the farmers was very slight. I understand they were contacted prior to the negotiations but certainly never during the negotiations. When one thinks of the great changes that took place concerning agricultural produce one hopes that in the future officials of the department will contact these different groups to get their views on these important matters.

The association's second point concerned the regional impact in Canada of relaxation of Canadian trade restrictions, and the third point concerned the importance of continuing efforts to reduce those impediments to international trade which will still remain after the Kennedy round tariff cuts are completed. I would hope the officials would take these points into greater consideration the next time they commence to negotiate with regard to tariff changes.

It would be fair to say that the role of Canada is to develop the principle of free trade and that the GATT agreement was one of the necessary steps to achieve this goal. Tariff protection has been a valuable instrument of nation building, and economic nationalism was necessary to political independence and the creation of a national economy. Now differences arise only with respect to the rate and the manner in which tariff changes should be established, whether they should be unilateral, bilateral or multilateral, or selectively by sector. As a result of the negotiations it appears that Canada, as with other countries, set the pace toward multilateral free trade; yet it has experimented in selective arrangements such as the automotive pact.

• (5:20 p.m.)

There has been a transfer from the dominance of tariff protection to an awareness of

the penetration of foreign ownership in Canada. It may be argued that tariff protection created Canadian industries but not Canadian firms, when one appreciates the expansive drive of United States corporations in the late nineteenth century and early twentieth century in developing Canadian industries but not Canadian firms. Instead of creating Canadian entrepreneurship capable of leading Canadian economic growth, the tariff approach has created a branch plant economy. The growth of foreign ownership in Canada has been phenomenal. When one realizes, according to the Watkins report, that in 1964 we had foreign ownership to the value of $27 billion in Canada and that now it probably has soared to around $35 billion, one can appreciate the immensity of the problem. When one appreciates the United States penetration of the Canadian economy and understands that 80 per cent of foreign ownership has been on the part of United States companies, one realizes this is a very important matter. When one appreciates that in the auto industry they have almost 100 per cent control, in the chemical industry 78 per cent control and in the rubber industry 77 per cent control, this underlines the importance of the problem at this time.

When I read the statement of the Prime Minister over the week end and his assessment of the just society to date as well as his almost total acknowledgement of treating our economy as an integrated economy with the United States I was very disappointed. When I hear the statements of cabinet ministers with regard to their continentalist views it makes me realize they have become apostolates of Canadian nationalism instead of apostles of Canadian nationalism. They have denounced and set aside Canada's number one nationalist, Walter Gordon. They have paid no attention to date to the Watkins report. They have failed to heed the serious warnings of the Toronto *Star*. I might say that the Toronto *Star* has taken a very active part in pointing out to Canadians the serious problem we have with regard to foreign ownership. In fact they have prepared a pamphlet which all Canadians should have setting forth the danger of the penetration that has been made in the economic sector of our economy. One fears that once they have controlled the economic sector the time is short with regard to any political independence.

It is very difficult to find at the present time one cabinet minister who is a Canadian nationalist. I have only found two Liberal members, the hon. member for Scarborough and the hon. member for York North, who have definitely stated they are Canadian nationalists. I notice that the Minister of Defence Production has made an attempt to participate in this debate and therefore he may get up to say that he is a Canadian nationalist. However, I have not found one cabinet minister who has definitely stated he is a nationalist with regard to our economy. Having had no success with the cabinet ministers, I shall ask the parliamentary secretary just what his position is with regard to this very important problem. There are quite a few parliamentary secretaries. I notice two more in the house at the moment. Perhaps they could set forth their position with regard to Canadian economic nationalism because of the seriousness of the problem. I shall also ask the parliamentary secretary to speak a little more fully with regard to that multinational corporation, the auto industry. I fully appreciate that he comes from a riding that has within it automotive businesses. He appreciates the penetration of United States companies in this field.

Last night I mentioned that it seems to me to be a very sad and sorry situation that in Canada, which is in the position of developing from having a population of 20 million people to having a population of probably 35 million people at the end of the century, we must, as the Prime Minister said in his statement last night, let the automotive business go to our friends in the United States. When I think of countries like Sweden, which has a population of between 7 million and 8 million people, having a very thriving auto business it makes me rather sick to think that we have defaulted in this particular area and have undertaken no research and development to establish a separate automotive industry which could provide Canadians with a car that would suit Canadian conditions and climate and also build up our export trade. This is a very important factor. I am happy to see the Minister of Defence Production agrees with me. He probably will persuade his cabinet colleagues that this is an area in which we should become very active. When we consider that we will double our population by the year 2000 it would seem that this is a field in which we should start working right away.

I might mention the experience some of us had in respect of the committee on finance, trade and economic affairs with regard to the Kennedy round and the chemical industry.

Representatives of that industry appeared before the committee and the problems that are being experienced by it were set forth. I might tell my colleagues in the house just what the problem in the chemical industry is. The chemical industry has developed to such a state that it has gone beyond the status of being nationalist. When an order is received for a chemical they now use a computer. Information is fed into the computer concerning the material, labour and transportation costs, and taxes. Out of the computer comes the answer concerning where the order should be placed. It indicates that in an economy like ours where there is a domination of foreign ownership in the chemical field no concern is given to the need for Canadian industry to put a drive on in the export market in the chemical field. This applies in many fields. This situation is causing many of us concern.

When we consider the immense corporations in the United States and the research and development programs they have, we realize that this leaves the branch plant economy of Canada in a very awkward and weak position with regard to a drive on exports. This is the situation in respect of developing our Canadian economy. The key to economic growth is the export market. When we have to depend on United States firms to do the research and development and when these United States firms are creating branch plants as branches which will serve the domestic market and not the export market, this is an indication of the weakened position we in Canada are in.

I might also relate to the parliamentary secretary an experience I had on a plane while coming to Ottawa. I met a man who is involved in the advertising business. He went to his bank to borrow money for expansion purposes. He said the amount required was modest. The bank refused him the money to expand his plant. Later he had a call from the bank manager. I notice that the parliamentary whip is very attentive because at one time he was a bank manager. What really happened was that the bank manager invited him back at a later date and asked him whether he would be interested in selling his plant to a group of Americans. The bank manager said that they were prepared to finance the group of Americans who were prepared to pay in the neighbourhood of $2 million for this Canadian company.

Here we have a case of a Canadian entrepreneur wishing to borrow a meagre amount of money for plant expansion in his particular business who is refused by the bank and then later invited back by the bank manager who attempts to persuade him that he should sell his Canadian business to a United States group in which case the savings of the Canadian people would be used by the Canadian bank to finance the purchase.

• (5:30 p.m.)

This mood and attitude have pervaded the minds not only of those who occupy the government benches but the minds of other people in Canada. We must do something about this now. It is all very well to talk about trade problems, but we must appreciate some of the practical problems which face Canadian businessmen today. These people need to be encouraged by the government to develop a Canadian economy controlled by Canadians. We need a research and development program supported and assisted by the government in order to increase Canadian exports to the point that we are not dependent on these branch plant operations of United States companies.

The statements by the parliamentary secretary and other hon. members in respect of non-tariff barriers are absolutely accurate. There are problems in respect of quotas and border taxes. The hon. member for Wellington outlined the problems caused by a two-price system in some countries. I was a little surprised that he drew attention to the central electrical authority in England which, according to officials of Canadian General Electric, refused a bid by Canadian General Electric in respect of heavy electrical equipment for use in England.

We hear representations and allegations during the committee stage of the Kennedy Round negotiations against Sweden. It was rather striking that during one meeting the vice president of Canadian General Electric cried about barriers established by England and Sweden, because in an address by the president of Canadian General Electric, which was included in a pamphlet distributed to members of the committee, he asked for special treatment by the Ontario hydro commission in respect of equipment they provided. That company was asking for the very thing it was complaining about other companies doing. This is a part of the problem we are experiencing. Canadian General Electric should put its own house in order not only in this field but in the field of pricing. We are aware of the difficulties this company has

encountered in respect of the fixing of prices in other countries.

We also have special treatment for Canadian manufacturers, and I am not talking about defence contracts or decrying them. All I am saying is that we do have these problems in our own jurisdiction and that they should be studied in depth by the standing committee on finance, trade and economic affairs in order that we can be sure that trade officials when they bargain with these people are well informed about the feelings and views of government members. I ask the parliamentary secretary, who is a very able gentleman, to make known his personal views in respect of these very important problems.

Mr. Otto: Mr. Chairman, I intended to make a few remarks at the resolution stage. However, being a co-operative fellow and having been asked by the parliamentary secretary to wait until today, I have done so. I should also like to direct attention to the fact that at the resolution stage comments were made by members of the opposition to the effect that the minister was not here. In view of the manner in which the parliamentary secretary has handled this whole shebang, and in view of the fact he seems to have knowledge of this department at his fingertips, I have the feeling that, much to the chagrin of the minister, the minister has not been missed. Let me compliment the parliamentary secretary for a wonderful job.

Mr. McIntosh: You are not bucking for a call, are you?

Mr. Otto: My comments will be restricted to those remarks about the Kennedy round negotiations which seem to indicate they are the cause of all our customs tariff problems. The parliamentary secretary mentioned that the advantage we obtained last year in our export position was due to the Kennedy round negotiations. I take some issue with that statement. They had a lot to do with it but, as he admitted, the automotive pact had a tremendous effect.

No Canadian wants to be a hewer of wood and drawer of water. We all want to see Canadian industry manufacture goods and export them. We want other nations to accept our manufactured goods tariff free or at low tariffs. The purpose of tariffs is to protect jobs. Customs tariffs account for about 15 per cent or 16 per cent of our national revenue, and I sometimes wonder whether we are still interested in the original idea of protecting jobs or in gaining revenue. There is always a danger of such a shift in purpose.

This bill is partly the result of the Kennedy round negotiations. We have heard members on both sides of the house refer to problems in respect of the glove, shoe and salt industries. These people are constantly at the heels of officials who attempt to negotiate tariffs on a national basis. This is political activity. It seems to me that the Kennedy round negotiations were intended to ensure that eventually every country would produce those articles it could produce most efficiently. There will always be barriers because of physical situations. Exports and imports are restricted not only because of a desire to protect certain industries but to attain a financial balance. This plays a great part in the over-all picture.

The European economic market has been in existence for some time, and it was hoped that trade problems in that area would by this time have been solved. We all know they still have problems in France. Potato growers there do not agree with the negotiations carried out by their administrators. Other industries in the European common market find themselves in positions far short of their expectations so far as trade patterns are concerned. The original concept was that countries which could most efficiently produce certain products would produce those products. This has not been accomplished.

In long term trading plans we cannot rely to a great extent on the Kennedy round negotiations. We are not all angels and we have certain established interests. When we consider the automotive pact we must realize that it is a plan to create a balance of trade in this industry between Canada and the United States. It does not take into account the dollar balance. What we are saying is that we will accept automotive parts from the United States tariff free as long as the United States will accept an equivalent amount of trade. This is what I have been advocating for the last ten years. We must gear our export-import plans to a volume balance rather than a dollar balance.

• (5:40 p.m.)

Let me give an example. We export each year $28 million or $30 million in reserve gas. This means we have sold to the United States or others a reserve of billions of cubic feet of gas. It also means that we have imported $28 million or $30 million of manufactured goods, radios, and so on. As long as we have the

natural resources, electrical energy, aluminum, gas and oil, we can maintain our balance of trade and still be largely unemployed. So that is not the secret. The secret is a balance of trade in man-hours. In other words, we should say to the world: We will allow imports tariff free of so many man-hours as long as we can export the equivalent amount.

That is what the automotive pact is. The strange thing is that although the automotive pact, as the parliamentary secretary said himself, has meant an increase since 1963 from $300 million to $4 billion, we seem hesitant to expand this policy. I wonder whether the parliamentary secretary or one of the ministers can say why we cannot include in the automotive agreement tractors, outboard motors and motorcycles. All these items take about the same amount of skill to manufacture and the industries pay about the same wages. Why cannot we expand the automotive pact still further to other industries?

Two years ago the minister of forestry cried out for another type of pact for the forest industry. Surely by expanding the automotive pact, initially engulfing those industries which are closely allied and then by arrangement allowing other industries to come under the same type of agreement, we would find ourselves on the road to a possible solution of this problem. We will not always enjoy a balance of trade. We will not always be able to export to other countries and solve our financial problems in this way.

GATT was mentioned, the general agreement on tariffs and trade. It is not commonly known that the members of this agreement spend a great deal of time trying to find loopholes in it. I wonder about the value of this agreement, when one considers that we have fantastic transportation problems from coast to coast. In Germany, for instance, what might be called a quasi-subsidization of the transportation business allows the barge system on the canals to be used so that industry anywhere in Germany is, for all practical purposes, right on the seacoast. There is practically no transportation cost involved. These are the things the members of this agreement worry about. The agreement is not working out as well as we thought it would.

In conclusion, Mr. Chairman, I should like to emphasize this point to the parliamentary secretary. He has already pointed out that we have an idea of what constitutes a very good agreement, namely, the automotive pact. Can we not expand this policy and use the same idea with other industries or relate other industries to the concept of export versus import in man-hours and not dollar volume?

Clause agreed to.

Clauses 2 to 15 inclusive agreed to.

The Chairman: Shall schedule A carry?

On schedule A—

Mr. McIntosh: Mr. Chairman, just before the bill is carried I wonder whether the parliamentary secretary would let me know when I may have a meeting with his officials.

Mr. Gray: Mr. Chairman, I would be very happy to arrange a meeting at the earliest possible time. I suppose we are not really able to recognize the fact that at this stage we have assistants on the floor before us, but perhaps I might have a short consultation with them right now as to when the hon. member will have a further chance to pursue his proposals in a meaningful way.

The Chairman: Shall schedule A carry?

Schedule agreed to.

Schedules B to H inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Lambert (Edmonton West): Mr. Speaker, I know it was agreed that we would take item No. 25 next, but since the parliamentary secretary will be making a statement on this matter, perhaps it would be agreeable to the house that we move to the next item, which would be private members' business, and start with item No. 25 at eight o'clock.

Mr. Macdonald (Rosedale): That is a very helpful suggestion, Mr. Speaker. Perhaps we could agree to regard it as six o'clock and proceed with private members' business.

Mr. Howard (Skeena): Mr. Speaker, I wonder whether I could make a suggestion with respect to the rights of individuals. We want to make sure that the member concerned with the bill is present and knows of this situation. If he is here and ready to proceed, this is fine.

Mr. Macdonald (Rosedale): Mr. Speaker, I understand that my colleague the hon. member for Gaspé (Mr. Cyr) will be dealing with the next bill, and he has about him all the appearance of readiness.

Mr. Jamieson: He is warming up in the bullpen.

Bonaventure and Gaspé Telephone Co.

Mr. Deputy Speaker: Is it agreed that we proceed to private members' hour and adjourn at ten minutes to seven o'clock?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): No, at seven o'clock.

Mr. Deputy Speaker: Order. It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, public bills.

PRIVATE BILLS

BONAVENTURE AND GASPÉ TELEPHONE COMPANY, LIMITED

Mr. Alexandre Cyr (for Mr. LeBlanc, Rimouski) moved the second reading of Bill No. S-12, respecting the Bonaventure and Gaspé Telephone Company, Limited.

He said:

[*Translation*]

Mr. Speaker, this bill is not new. Indeed, the same bill under the No. S-33 was passed at the other place during the last session, after having been studied by the standing committee on transport and communications. After first reading in this house, as indicated in *Votes and Proceedings* for February 28 1968, it was placed on the order paper for second reading on February 28, 1968. However, that debate was not held because the houses were dissolved on April 23 last.

At this point, I should like to quote the explanatory note, of this bill:

> The purpose of this bill 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.

The company was incorporated on April 12 1907. Under section 11 of chapter 64 of the statutes for 1906-07, that company was forbidden to merge. Under section 5 of the act respecting The Bonaventure and Gaspé Telephone Company, Limited, namely chapter 86 of the statutes for 1955, the constitution of that company was amended. Indeed, under that act, disposal of the undertaking is allowed subject to the approval of the shareholders and that of the Canadian Transport Commission.

We feel that the act passed in 1955 does not clearly grant the company the power to sell or dispose of its assets to a company which does not fall within the jurisdiction of the Canadian parliament. The company to which

[Mr. Jamieson.]

The Bonaventure and Gaspé Telephone Company, Limited wishes to sell its assets is the Quebec Telephone Company which was incorporated under a Quebec charter.

Mr. Speaker, doubts concerning the power to sell or dispose of its assets to a company which does not fall within the jurisdiction of the Canadian parliament would be resolved if the following sentence were added to section 11 of the constitution:

> Such sale or disposal, whether of the whole or any part of the said undertaking, rights and properties, may be so made by the company to any company or person, whether within the legislative authority of the parliament of Canada or not, authorized to carry on a business included within the objects or powers of the company.

That alteration is very simple since its sole purpose is to grant in fact to the company the power to dispose of its assets in favour of the Quebec Telephone Company which holds a provincial charter.

For your information, Mr. Speaker, it is important to point out that since 1953 that company has been under the full control of the Quebec Telephone Company, since the latter holds approximately 99.9 per cent of the shares. The areas served by the latter company are all located in Quebec or close to it, and the managements of the two companies merged in 1952. Actually, the staff of the Quebec Telephone Company looks after the operations of the said company. In fact, there is some overlapping and needless expenditures.

It is very important, therefore, to recall that Quebec Telephone is acquiring the assets of the said company in order to avoid needless expenditures resulting from the partial overlapping of the services of the two companies.

We therefore ask hon. members to consider that bill kindly and to agree to its being considered in committee before third reading.

• (5:50 p.m.)

[*English*]

Mr. Peters: Mr. Speaker, before the hon. member sits down may I ask him what there is in this bill that is different from the bill amending the 1907 act which was passed in 1955? As I understand it, at the time the company was almost totally owned by Quebec Telephone. That was in 1953. Then an amendment was made for the purpose of the sales agreement, with certain conditions in it. What has changed since 1953 or 1955 that would make this amendment more acceptable than the 1955 amendment?

[*Translation*]

Mr. Cyr: Mr. Speaker, according to the 1955 amendment, this does not seem enough, since the company could not sell its network. In fact, in section 11 of the 1907 statutes, we can read the following:

> Except as provided by section 13 of this act, the company, or any company whose line of telephone or telegraph is leased by the company or under its control, shall not at any time be amalgamated with any company possessing powers similar to those of the company; and any such amalgamation and any arrangement for making a common fund or pooling the earnings or receipts of the company, or of any company whose line of telephone or telegraph is leased by the company or under its control, with any company possessing powers similar to those of the company, shall be absolutely void.

The purpose of this bill, therefore, is to allow the Bonaventure and Gaspé Telephone Company Limited to dispose of all its assets and to amalgamate with the Quebec Telephone Company. I should like to draw to the attention of this house the fact that I am a subscriber of the Bonaventure and Gaspé Telephone Company Limited in Chandler. Since 1953, all business has been done with the Quebec Telephone Company. Only the name still remains, since the Quebec Telephone Company holds 99.9 per cent of the shares. Therefore, this is merely to simplify book-keeping and the reports which this company has to make to the federal and provincial governments. It is simply intended to simplify operations.

[*English*]

Mr. Peters: May I ask a second question, Mr. Speaker? Is it not true that the Bonaventure and Gaspé Company is now wholly owned by Quebec Telephone, that Quebec Telephone really does not exist either as it is a subsidiary of Anglo-Canadian, that Anglo-Canadian does not exist in the telephone field but is totally owned by General Telephone of the United States, and that the purpose of this bill really is to give General Telephone a Canadian charter in the telecommunications field?

[*Translation*]

Mr. Cyr: Mr. Speaker, I think the purpose of referring this bill to a committee of the house is to allow us to examine the operations of the Quebec Telephone Company, and I think the hon. member would then be able to obtain all the information he wants.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, I listened with interest to the hon. member for Gaspé explaining the purpose of the bill. This was rather repetitious because, as the hon. member himself said, the same statements have been made on other occasions and in other places because the bill has been before parliament before but for one reason or another has not been proceeded with.

I took the liberty of reviewing the statements which were made in the Senate on February 1, 1968, by Hon. Leopold Langlois who sponsored the bill there, and there are two or three interesting quotations with respect to the bill which I should like to read because of the connection they have with the amendment made in 1955. Senator Langlois, as reported at page 813 of the Senate committee debates, in introducing the bill had this to say:

• (6:00 p.m.)

> It is a matter of establishing clearly the power of The Bonaventure and Gaspe Telephone Company Limited, incorporated by a special act of the Parliament of Canada, to sell its telephone network to Quebec Telephone, a company incorporated in accordance with and subject to the laws of the province of Quebec.

There are other similar references in his remarks to the Senate transport and communications committee which examined the bill, Mr. Speaker.

One gleans from these general references that this is a small, locally owned telephone company. In view of the question asked by the hon. member for Timiskaming (Mr. Peters) a moment ago about the ownership of the company, I am convinced that some misleading took place when the bill was explained on other occasions. Senator Langlois, who pointed out that "it is a matter of establishing" a relationship between the Bonaventure and Gaspé Telephone Company and the Quebec Telephone Company, should clearly have set out and established the intricate ownership structure that exists involving this company, two or three other larger companies and a massive United States corporation operating in the telephone field and in a variety of other fields. I expect this matter will be explored in greater detail by one of my colleagues.

It may be, Mr. Speaker, that the sponsors of the bill both in this session and last have felt it not germane to the subject to relate the fact that this company is owned by a U.S. corporation, but in view of the concern that has been expressed on many occasions by members of the government as to foreign

ownership and control of the Canadian economy, I think the point is relevant and should have been put forward for our consideration. That is so unless there was, of course, a desire on the part of the government itself, which may become more evident as we proceed, to abandon its position on Canadian ownership and in effect proceed to sell out Canadian interests in favour of an expansion of foreign ownership and control of our economy. I can see no other reason for the omission of this fact from the explanation given of this bill in the first place.

If I may proceed further with my references to Senator Langlois' comments, he went on to say:

> The special 1907 act which set up The Bonaventure and Gaspe Telephone Company Limited—and I would refer honourable senators to chapter 64 of the 1906-1907 statutes—

These next words are very important.

> —was amended by chapter 86 of the 1955 statutes in order, among other things, to empower the company to sell its business under the following conditions: first, the sale has to be approved by a meeting of shareholders called together for this purpose, at which meeting two-thirds of the shares issued must be represented by shareholders present in person or by proxy; second, the sale cannot take effect unless first approved by the Board of Transport Commissioners which, as the honourable senators know, has since become the Canadian Transport Commission.

This, Mr. Speaker, by Senator Langlois' declaration, was the purpose of the 1955 amendment, namely, to provide an arrangement whereby the company could sell its business under certain stated conditions that the senator enumerated.

I have obtained the House of Commons debates for 1955, Mr. Speaker, wherein this 1955 amendment was previously dealt with. Mr. Bona Arsenault, the then member for Bonaventure, sponsored the bill on that occasion. In his introductory remarks on second reading of the bill nowhere did he make a single reference to the conditions that Senator Langlois related and which appeared in Senate *Hansard* on February 1 of this year. Whether Mr. Arsenault just did not realize what was actually involved in the bill, felt that it was not an important matter, or wanted deliberately not to mention it, I do not know. However, it does seem to me passing strange that last February an hon. senator told the Senate that the main purpose of the amendment in 1955 was to permit the company to sell its assets under certain conditions, yet when we see what the sponsor of the bill had to say in 1955 there is no mention of these conditions. It seems the tune has changed over the years.

As reported at page 1952 of *Hansard* for March 11, 1955, Mr. Arsenault said:

> For this reason it is felt desirable to have the name in French as well as in English, as is provided in the bill.

According to Mr. Arsenault, that was one of the purposes of the 1955 amendment. Another purpose was this:

> The company also requests authority to increase its capital stock from $100,000, divided into shares of $100 each, to $2 million, divided into shares of a par value of $25 each.

A little farther on he said:

> By virtue of this bill, which will increase to $2 million the capital stock of the Bonaventure and Gaspé Telephone Company, that company will be able to carry out a program of development and modernization—

And so on. Then Mr. Arsenault says that he is pleased to introduce the bill, which provides for an increase in the share capital of the company so that it can go ahead with some development programs. Mr. Arsenault's earlier remarks were actually in French and I have been reading the translation. He then went on to reiterate what he had said in English. He said that the bill had to do with the Bonaventure and Gaspé Telephone Company which was doing business in Quebec. The purpose of the bill was to seek an increase in its capital stock in order to increase certain facilities, and so on. But, as I say, Mr. Speaker, there is not a single word about the company selling its assets, which Senator Langlois told the Senate committee last session was the main purpose of the 1955 amendment. In fact, even if the amendment of 1955 had provided for the company to sell its assets and so on, according to Senator Langlois the business had already been sold in 1953. So this sale was two years old before the company even came to parliament asking for permission to sell.

• (6:10 p.m.)

Senator Langlois says that in 1953 the fixed assets of the company were worth so much and in 1966 they were worth so much more. Their value had increased. According to Senator Langlois the Quebec Telephone Company bought the stock of Bonaventure and Gaspé Telephone Company, Limited. Then we are told by the same senator that in 1955 a bill was brought to the house in order to authorize the company to sell its assets to somebody else when, in fact, it had already sold them two years earlier. Probably the

company wanted to validate what had been done. But why go through the process of misleading the Senate and the house about the situation? Why be secretive about ownership? These are valid questions to ask.

I know that the hon. member for Gaspé does not have the answers to these questions. He cannot read the mind of Senator Langlois and learn why he did not tell the Senate the full facts. He cannot search the mind of the former member for Bonaventure and determine why certain things were done that ended in the way Senator Langlois described.

The hon. member says we should refer this bill to a committee and try to obtain all relevant information there. I tried to find the relevant information for the year 1955. I tried to find a transcript of the committee proceedings in connection with this matter when it came before the house committee in 1955. I learned something very interesting. Not one word of the proceedings of the Senate or House of Commons committees with regard to this matter was transcribed. Undoubtedly the committees met in 1955 since they reported the bill back to the house with amendments, I believe. Undoubtedly witnesses were heard. Yet no transcript was produced to enlighten us. As I say, there is not a shred of evidence, not one iota of evidence as to what happened in either committee in 1955. If there had been a Senate committee transcript or a House of Commons committee transcript perhaps we might be in a better position to determine the full ramifications of this bill, and to know its antecedents when it goes to the appropriate committee of this house.

So far I have not mentioned anything about our attitude toward foreign ownership of our industries. It is clear that the company in question is foreign owned. Facts about the company must be dug up by individual members. I am not complaining about that because that is part of the function of members of parliament. We must inquire into the wherefores and whys of any bill that is before us and we must not take as the gospel truth any declarations or statements made about it. A tremendous amount of information may be unravelled in this way about the ownership of this company. All this will have to be explored in greater detail later.

As I said, this company is foreign owned and controlled. In the last few years, particularly when Mr. Pearson was prime minister, we saw a tremendous increase in the degree of foreign ownership of Canadian industry. Some say that 75 per cent of our economy is in foreign hands and being controlled by people who do not live in this country, are not citizens of the country and have no allegiance to Canada. As a result their decisions are not always based on what is good for Canada, and in many instances they are removed from any effectual control by the government of Canada. This is a disgraceful state of affairs.

At one time I thought this country was moving in the direction of greater Canadian ownership of our assets and industries. I thought our government would make us feel proud of Canada and would assist us in developing a high degree of pride in the economic and social life of Canada. Now that is to be changed. There is a good prospect that our present Prime Minister and his cabinet have either sold us out completely or intend to sell out Canada's interests so far as control of our own economy is concerned.

Although this is a private bill this company's business will touch many Canadians. Although many in this country feel that we should own our own industries and our own economy, the government seems to be moving in the opposite direction. I should not be surprised to hear the Prime Minister and his government bring in a bill which would permit the insurance companies and various financial institutions of this nation to do as they darn well please without first coming to parliament to have their actions ratified. It seems to me that the direction in which the government is heading will lead to foreign control of our Canadian economy. This is nothing more than a sell-out of our economic life and it is disgraceful.

May I point out, Mr. Speaker, that the Bonaventure and Gaspé Telephone Company, Limited is not just a little, local rural company in Quebec.

Mr. Speaker: Order, please. I must interrupt the hon. member to inform him that his time has expired, unless he has unanimous consent to continue beyond his allotted time.

Mr. John Gilbert (Broadview): Mr. Speaker, one of the most important questions facing Canada today is the question of foreign ownership of our resources. If I had any theological training I would cite in full the story of Jacob and Esau to illustrate my point. It will be remembered, Mr. Speaker, that Esau sold his heritage for a mess of pottage. If ever any people in the world are selling their heritage of ownership for a mess of pottage, they are the people of Canada. I might even say that in Saskatchewan Mr. Thatcher is selling our

heritage for a mess of potash, but I am not too interested at the moment in Saskatchewan.

Mr. Jamieson: Whose boss was Jacob?

Mr. Gilbert: I note that the Minister of Defence Production is here. If I were to use a Newfoundland term I would say we are in a fine kettle of fish. I am sure that after I sit down he will relate his experiences with regard to foreign ownership as it has penetrated the province of Newfoundland and will certainly support the stand taken on this side of the house with regard to this very important bill.

• (6:20 p.m.)

You will notice, Mr. Speaker, that Bill S-12 is an act respecting the Bonaventure and Gaspé Telephone Company, Limited. The hon. member for Rimouski (Mr. LeBlanc) has set forth the purpose of the measure in the explanatory note. It is, he says, 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. The explanation is a simplistic one.

As I studied the affairs of this company together with the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters) we came across a revelation which was dramatic, to say the least. We found that this company formed part of a chain of ownership which extended to the Quebec Telephone Company, the Anglo-Canadian Telephone Company and across the international border to the General Telephone and Electronics Corporation in the United States. As the hon. member for Skeena said, it may be our duty to trace ownership. But one can appreciate the difficulties in this connection especially when one is examining the structure of a company such as this. We had to go to the *Financial Post* survey of industries, 1967. Then we had to turn to the section dealing with public utilities. To ascertain final ownership we had recourse to Moody's Public Utility Manual. The relevant entry extends from page 1151 to page 1160, nine pages setting forth the ownership of General Telephone and Electronics Corporation.

To get back to the Bonaventure and Gaspé Telephone Company, may I first of all refer to the question of ownership. The first link is the Quebec Telephone Company. In the *Financial Post* survey it is stated that the head office of Quebec Telephone is situated on Rue St. Jean, Rimouski. The company was incorporated in 1927 and the board of directors is constituted as follows: Hon. J. A. Brillant, chairman, Rimouski, Quebec; Jacques Brillant, president, Montreal; Norman Gendreau, executive vice president and treasurer; B. A. Bénéteau, executive vice president; J. R. Bernier, vice president and comptroller; Maurice Martin, vice president, public relations, Rimouski, Quebec; Claude Pratte, Quebec City; H. A. Sewell, St. Catharines, Ontario; J. J. Clerkin, Jr. Darien, Connecticut; J. J. Douglas, Scarsdale, New York, vice-president, general counsel and secretary; Yvon Côté, Julien Thuot.

You will notice, Mr. Speaker, that among these ten or so directors there are eight Canadians and two Americans. There is no objection to that; it shows there is a Canadian majority on the board.

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. The class A shares have since been redesignated as common shares. This is what we read in a lengthy paragraph setting forth the situation with regard to ownership. Then we find a list of the directors of Anglo-Canadian Telephone Company as follows: J. J. Douglas, president; D. C. Power, L. H. Warner, J. J. Clerkin, Jr., New York; T. A. Boyd, Bronxville, N. Y.; Aristide Cousineau, O. B. Thornton, A. S. Torrey, Montreal; C. H. McLean, Vancouver; Jacques Brillant, Rimouski, Que.; vice president, T. S. Gary; vice president, secretary and treasurer, Cameron Hough.

Again, we notice a mixture of United States and Canadian directors. I think it is clear as I complete the chain of ownership

that ownership eventually falls into United States hands. We found in the first instance a large representation of Canadian directors and a small representation of United States directors. In the second link we find a 50-50 split with regard to directors. My hon. friend from Timiskaming has suggested that some directors may be dummy directors. I can only say we shall have to investigate this when the bill is referred to the standing committee on finance, trade and economic affairs. Experience has shown that many companies do make use of dummy directors. For practical purposes, these people are men of straw. I am sure that the hon. member for Rimouski, who is a man of great integrity, will make the position clear when he addresses the standing committee.

When we get to the third chain of title, Mr. Speaker, we cross the Canadian border into the United States, the country to the south of us which has tremendous holdings in the Canadian economy. I spoke briefly on this subject earlier today to apprise hon. members of the tremendous penetration which has been made into the Canadian economy. If we keep repeating this it will make members on the government side appreciate the immensity of the problem, and help get them away from this continentalist "kick"—this tendency to integration with the United States economy. If ever there was a time to speak about Canadian nationalism, it is now. We should not be sold down the river by the smooth and sleek methods used by United States corporations in penetrating the Canadian economy.

• (6:30 p.m.)

As we cross the border and get into the state of New York we have the General Telephone and Electronics Corporation. They are what I would describe as the first owners of this little company situated in Gaspé. When you look at this publication, Moody's Public Utility Manual, you discover it takes ten pages to give the financial structure and operations of this American corporation, and then you appreciate, Mr. Speaker, that this company is one that really needs a great deal of investigation because it has developed not only vertically, and taken in other utilities throughout the United States and Canada, but it has developed horizontally and is acquiring interests in various types of manufacturing.

When you have vertical and horizontal integration it becomes like the tentacles of an octopus, and we are in a very serious plight in Canada with regard to this type of operation.

This type of development has been of recent date in the United States. At the turn of the century man looked upon himself as a great enterpriser. He went out and conquered a particular area of business. He staked it out for himself. He worked hard and managed to get other workers to work with him. It was a form of partnership in the development of a particular industry. One rather admired the courage and initiative that man had in the early part of the twentieth century.

But having developed that, he became sophisticated in his type of ownership. There is a certain greed that penetrates the heart and mind of man. Once he has tasted success there are no limitations. He has to go on and on, like the man with the barns, who just kept on growing larger and larger crops, and who, when he asked, what he should do, received the answer, "Build bigger barns." Corporations are like this. They have become bigger and bigger. Not content to stay in their own backyard in their own country, they have invaded other countries.

If you are going to be a successful entrepreneur these days you have to have it both ways. You have to have the input and the output, as we say. You have to have the natural resource flowing from one country. You have to have the manufacturing process, and then you have to acquire the markets to market the goods. This has been the history of these entrepreneurs of today. This is why we call these companies multinational corporations. They not only want to control the product, but also its input and output.

This is what the General Telephone and Electronics Corporation is doing in the United States. It has now moved across the border into Canada and is acquiring ownership of Canadian companies. If I were to read into the record the financial structure and physical structure of this company it would take me a couple of hours, and I am sure members would not want me to do that. They would prefer that I summarize it. The corporation is a holding company. On December 31, 1967, it controlled more than 30 subsidiary domestic operating telephone companies, serving 7,728,-992 telephones through 2,562 exchanges in 34 states, and also controls various manufacturing companies. That just indicates the magnitude of the company.

In one of the paragraphs it says:

Company together with a controlled subsidiary (Anglo-Canadian Telephone Co....) controls 50.24 per cent of British Columbia Telephone Co., and 53.07 per cent of Quebec-Telephone with 855,657

Bonaventure and Gaspé Telephone Co.

and 126,424 telephones as at December 31, 1967, respectively. Anglo-Canadian also controls telephone company in Dominican Republic.

I had not mentioned that, Mr. Speaker. Not only has it invaded Canada but it has gone south of the border, right down into the Dominican Republic. I hope when the ministers went on their safari to South America they appreciated that they were going into countries this particular company had invaded. When I use the word invaded I use it in a financial sense.

Mr. Whelan: Not like the Russians.

Mr. Gilbert: I don't use it in the Russian sense, as the hon. member for Essex (Mr. Whelan) says. I should say that the hon. member is well aware of this problem because he comes from a very humble background, like myself—

Mr. Jamieson: He can't afford a phone.

Mr. Gilbert: —and his success has been dependant upon his own initiative. I rather admire him because he is a chip off the old block, so to speak. I feel the same, having come from very humble surroundings, and having attained the high position we have today I think he and I should have a certain justification of pride. So, I rather enjoy the interruption of the hon. member, because I think he deserves credit for the position he has attained. The unfortunate part, Mr. Speaker, is that the government has directed him into a portfolio which has little or no relationship to the background the parliamentary secretary possesses. He comes from an automotive area, and the government has him in the fisheries department. One wonders why it would make such a serious mistake.

If I had time I would set forth the list of the directors and a list of the property which this company owns, but I notice my time is running out. In conclusion I should say that it could be fairly said that this company is American owned and dominated, and I think hon. members should be made aware of this when considering Bill S-12 respecting The Bonaventure and Gaspé Telephone Company, Limited.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have listened with great interest to this debate, and as a new member of parliament I am fascinated by the revelations that have been made. I guess I am a bit naïve, but I took at face value the explanatory note printed with this bill, which says:

The purpose of this bill 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.

This bill has bearing on a very important Canadian industry. As hon. members, know, Canadians are among the most avid telephone users in the world, so anything affecting an industry of such great importance to Canadians should be of great interest to members of this house. It was interesting for me to note during the debate that what we are discussing virtually amounts to a monopoly situation.

• (6:40 p.m.)

This is a monopoly industry in almost every area of the country with which I am familiar, and possibly throughout the world. We have seen cases of many small telephone companies having been gradually absorbed by larger, perhaps more aggressive or more efficient telephone companies to the ultimate benefit of the companies and also perhaps the public, but not necessarily so. We have seen phone rates increase year after year. Services in some instances have improved, and in others they have not. British Columbia, the province from which I come, as you know has had similar experiences in respect of a monopoly telephone situation. Although it is called, and is incorporated as the B.C. Telephone Company, it is owned and directed by persons and companies that were not resident in our province. One of its leading managing directors, Mr. Cyrus McLean of Vancouver, has been most active in its management. Since the hon. member for Broadview (Mr. Gilbert) mentioned General Telephone's ownership in the Dominican Republic system it might be interesting to note that when the marines landed in the Dominican Republic to remove Juan Bosch and his group from there some years ago, one of our greatest fears was in respect of one of our Canadians who was down there doing business at that time, none other than Cyrus J. McLean of the B.C. Telephone Company.

The hon. member for Gaspé (Mr. Cyr) suggested that possibly the reason this bill should have our support is the fact that it is already 99.4 per cent owned by the Quebec Telephone Company, and that in any event the passage of this bill might avoid some serious overlapping. He did not go into any detail concerning what would be involved in this overlapping, or how it would be occasioned. If my arithmetic is correct only a

small part of it, .6 per cent, seems to be owned by the original company. It would seem to me that if there is only a .6 per cent overlap, this is not really very serious. I believe that in many of our other industries, notably the insurance industry, the overlapping would be perhaps in excess of this by a much larger amount.

What I was concerned about, as this discussion unrolled, was the secretiveness with which the various tiers of the hierarchy of ownership have been kept from us. I know that some members, especially in this party, have been diligent in searching this out, but I humbly suggest that when a bill such as the present one comes before the house, which has intense international ramifications, the members of this house should be acquainted with the background, and given much more information than has been provided to date. I do not believe nearly enough information has been passed on to me in order that I might make a reasonable response in respect of this bill.

There is information about the various levels of ownership; additionally, I believe, there should be a little more background information made available to members who wish to discuss this matter intelligently. One question which might be asked is, will this legislation ultimately be in the interests of the residents of Gaspé? If I were assured that this is so, I am very certain I could support this bill with a great deal of pleasure. I am told that two thirds of the share membership, or their proxies must be present at a meeting in order for its sale to go forward. We have no figures concerning how many shares are held by one person. It would appear to me that this is the type of information we should have here, so that there would be a complete revelation of the facts behind this whole thing.

Another matter which disturbs me greatly is that it appears from the information revealed in this debate that parliament is being asked to suffer the indignity of facilitating a sale that has already been effected. If this is the case, then it seems to me that perhaps all the revelations necessary for a sensible discussion are irrelevant, and that all parliament is being asked to do is spend its time in rubber stamping something already accomplished some years ago.

Many companies disguise their ownership. They do this to keep from public scrutiny their various plans and their various directors. Directorships, as revealed by John Porter, tend to be overlapping in Canada with the same people pulling the strings in respect to the major corporations all across our land. The Canadian public is becoming increasingly critical of a trend that has been going on for some years, which was referred to by the previous speaker. The Watkins report, tabled a year ago, was a shocking document. It certainly alarmed a great many Canadians because of its reference to the growing extent of economic control by foreign owned companies in Canada. The fact that economic control has taken place is one thing; but what in my view concerns the Canadian public is the kind of political control that will ultimately follow this economic control.

We spend a great deal of money on various communications media in this country. We spend millions of dollars on the C.B.C. We will be spending millions more on the satellites. We spend it on the National Film Board. It is the public's money we are spending on these things. Simply stated, we subsidize communications. Perhaps at some time it might be wise to consider that perhaps the telephone industry is a very important communications medium also, and that it is not in Canada's best interests to have this remain in private hands, especially if the reins of control are held by those outside the country.

The telephone industry in North America is a giant octopus. I think we should be looking in the direction of buying up and buying into this very important communications link, for the benefit of all Canadians, instead of sitting here debating a bill that involves the selling of more of it to companies which in my view already have too much. Thank you.

Mr. Deputy Speaker: Order. The hour for the consideration of private members business has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North (Mr. Orlikow)—Immigration—distribution of pamphlet as to availability of housing; the hon. member for Abitibi (Mr. Laprise)—Housing—Quebec—additional loans to counter

unemployment; the hon. member for Hillsborough (Mr. Macquarrie)—tabling of the MacIntosh report by the Postmaster General.

I do now leave the chair, pursuant to special order of the house today. The house will resume at 8 p.m.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

FINANCE

PROPOSED AMENDMENTS RESPECTING INTERNATIONAL MONETARY FUND AND EXCHANGE FUND ACCOUNT

Hon. G. J. McIlraith (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

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

Motion agreed to, and the house went into committee, Mr. Béchard in the chair.

Mr. Gray: Mr. Chairman, the bill which will be based on this resolution will represent a major step forward in the evolution of the international monetary system. With the establishment of the scheme to create special drawing rights in the International Monetary Fund, for the first time nations will be able to create international monetary reserves, to meet the requirements of the whole system, by deliberate and joint action. The main objective of the bill will be to provide for Canada's participation in this exciting development.

The bill will set out a number of amendments to the articles of agreement of the I.M.F. to provide for the operation of the scheme to create special drawing rights. It also will set out certain amendments modifying the rules and practices of the existing operations of the fund to reflect the experience of almost a quarter of a century.

The government hopes that this legislation will have the wholehearted support of this house and that its passage will not be

[Mr. Deputy Speaker.]

delayed. This should not, of course, exclude a thorough consideration of its various aspects in committee. The last time this house had an opportunity to consider these matters at some length was in March 1966 when a bill to increase Canada's quotas in the International Monetary Fund and the I.B.R.D. was before the house. At that time the late Colin Cameron and other members called for the creation of the equivalent in the international field of the managed currency which all modern countries use in their domestic economies. A good deal of interest was shown in the broader issues at that time, and the matter was discussed in the committee on finance, trade and economic affairs, of which I was then the chairman.

As members who participated in that discussion well know, the resolution before us represents the culmination of more than four years of intensive study and negotiation by ministers and senior officials in the group of ten and by the executive directors of the I.M.F. The essential soundness of the proposed scheme is a tribute to their efforts. The fact that such complex discussions were begun in time and successfully concluded is a reflection of the international co-operation in economic and financial affairs which we have come to expect in the post world war II period, but which had failed to develop significantly up to that time.

At the centre of this co-operation has been the I.M.F. The fund was conceived, along with the International Bank for Reconstruction and Development, during and came into being immediately following the second world war. The results of narrowly nationalistic policies were evident everywhere and the memories of the disastrous consequences of the self-defeating economic policies of the 1930s were still fresh in people's minds. The fund's founding fathers therefore set out to create an international authority to establish and maintain a high standard of conduct in international monetary and economic affairs and which would be endowed with the facilities and the financial resources to help countries to live up to this standard. The significant success achieved by the I.M.F. since 1946 has contributed to the growth of world trade and payments and consequently to the prosperity which Canadians now enjoy. Canada is heavily dependant on international trade and the availability of capital for its prosperity. We have therefore a very large stake in the success of the I.M.F.

Consequently Canada made a noteworthy contribution to the negotiations at Bretton

Woods in 1944, where agreement was reached on the articles of the I.M.F.; we became a charter member and have been an active supporter ever since. The government is particularly pleased therefore to see the historic step of creating special drawing rights being taken within the framework of the fund.

Evolutionary development has been the keynote of fund history. Created as an international organization with delegated powers, rather than as an international central bank superimposed in the structure of national governments, its influence and effectiveness was a function of government's willingness to delegate authority to it. Over the years national governments have become increasingly willing to broaden the scope of the fund's activities in the international monetary sphere. Thus we should look upon these present proposals for fund reform, and particularly on those related to its proposed involvement in the new field of reserve creation, as an encouraging and most significant step forward in its evolutionary development. The fund's managing director has described it as the most significant development in international monetary co-operation since Bretton Woods.

• (8:10 p.m.)

In October, 1963, the ministers of finance and the governors of the central banks of the Group of Ten instructed their deputies to undertake a thorough examination of the international monetary system and its probable future needs for liquidity. It soon became evident that the growth of the traditional reserve assets, gold, U.S. dollars and British pounds would not likely be adequate to meet the aggregate growth in international reserves necessary to meet a steady increase in world trade and payments. Reserve holdings of the pound had ceased to grow for some time and the pound had come under recurring pressure. The U.S. balance of payments deficit, which for many years had been necessary and had been generally welcomed, was becoming chronic and some countries were growing unwilling to go on indefinitely increasing their holdings of U.S. dollars. The United States itself declared its determination to bring its payments into better balance, and consequently the U.S. dollars could no longer be regarded as a likely source of future reserves growth. Nor could gold production be expected to meet the need.

As a result, contingency planning was begun for the day when an emerging shortage of international reserves might threaten international economic growth. In 1966 the deputies of the Group of Ten began a series of meetings with the executive directors, of the fund, who were also considering these problems, and in 1967 at the annual meeting of the International Monetary Fund in Rio de Janeiro the executive directors presented the results of these meetings to the governors in the form of an outline of a facility based on special drawing rights in the fund. The governors in Rio instructed their executive directors to prepare a report by March 31, 1968, which would propose, first, amendments to the articles of agreement and by-laws for the purpose of establishing a new facility on the basis of the outline and, second, amendments to improve the present rules and practices of the Fund.

A few remaining contentious issues were settled at a meeting of the Group of Ten in Stockholm at the end of March, 1968; the proposed amendments were sent to governors early in April and were approved by May 31 by a substantial majority of the board of governors, including the minister of finance as governor of Canada. The scheme will come into force when three-fifths of the total membership having four-fifths of the total voting power have taken the necessary steps to enable them to participate. Obviously, as the house will see, the proposals in the bill represent a highly negotiated package. While all the participants made compromises, the government feels the result has been a workable, well balanced proposal which is capable of further evolution as it becomes familiar and experience is gained in its use.

I would now like to describe the main features of the special drawing rights, which I think we can now refer to in abbreviated form as SDR's, and then go on to outline some of the other amendments that will be in the bill. The facility in question will be a new asset created to supplement existing reserve assets. It is not meant to displace gold or reserve currencies. For reasons mentioned earlier, the proportion of SDR's to total reserves can be expected gradually to increase. Eventually I would expect the bulk of reserves to be held in the form of SDR's. At that stage the participating countries will have close control over the aggregate amount of reserves outstanding, in the same way that a central bank now influences the money supply of a country.

The new facility will be operated in the fund where it will be managed on a day-to-day basis by the executive board, a highly

competent and experienced forum. Membership in the scheme will be open to all members of the fund. SDR's will be traded among monetary authorities for convertible currencies. They will not be usable for direct intervention in the foreign exchange markets or for other private transactions. SDR's will be assets owned by a participating country and recorded on the books of the special drawing account in the International Monetary Fund. They will be freely and unconditionally available with two exceptions:

(i) They will only be usable for balance of payments needs, not solely to change the composition of a country's reserves;

(ii) A country making an average net use over five years of more than 70 per cent of its net cumulative allocation of SDR's will incur a reconstitution, in other words a repurchase, obligation. These rules are to help ensure that the new asset will not be abused in its use and will be held by all the participating countries.

The new asset is a fiduciary asset, that is, its value is based on the willingness of countries to accept it in exchange for convertible currencies. It is not backed by any particular asset and in that respect is like the domestic currencies of most countries. Decisions to create SDR's will be taken by the board of governors of the International Monetary Fund on the basis of a proposal by the managing director which has been concurred in by the executive directors. A majority of 85 per cent of the voting power of the participants will be required.

SDR's will be created to meet the long run growth in global demand for reserves—not to meet the balance of payments needs of individual countries. Consequently the decision to create them will be taken every five years and the amount decided will be distributed in equal proportions annually. Of course, if circumstances alter considerably during the five year period it will be possible to make appropriate adjustments in the annual distributions.

SDR's will be used to obtain convertible currencies from other participants either directly or through the special drawing account acting as intermediary. Normally currencies will be acquired from participants with a strong balance of payments and reserve position. A participant's obligation to accept SDR's ceases when its holdings are three times the net cumulative amount of SDR's allocated to it. They will be gold value guaranteed, that is, their value will be protected against changes in the value of national currencies, and they will earn a moderate rate of interest—1½ per cent—the cost of which will be assessed against members in proportion to the net cumulative allocation of SDR's to them.

Newly created SDR's will be distributed to participants in the same proportion as their quotas in the International Monetary Fund. Consequently, if it were decided to create $1 billion of the new asset, Canada would receive $35 million of SDR's. No offsetting liability will back this new creation other than the obligation to accept, in certain circumstances, the asset from others for convertible currencies.

A number of other amendments to the articles of agreement of the International Monetary Fund will be proposed in the bill to modify the rules and practices of the existing machinery of the Fund. Most of these proposals are rather technical and represent no more than a clarification or codification of practices developed over the years and followed currently by the Fund. Others take into account the existence in reserves of SDR's and the operation of the special drawing account. I shall mention here only the most important of the proposed amendments.

Henceforth a general increase in quotas in the International Monetary Fund will require an 85 per cent majority vote of the governors instead of 80 per cent. This will bring the practice in the fund in line with that proposed for SDR's. Requests for purchases of a country's gold tranche, which corresponds to the 25 per cent of its subscription paid in gold or U.S. dollars, are now created automatically on a de facto basis. One of the amendments will make the use of the Fund's resources in the gold tranche legally automatic. Another amendment will remove the present limitation on making gold tranche purchases for meeting capital transfers. A member will be able to make gold tranche purchases even though they are to meet what might be regarded as a large or sustained outflow of capital.

A transaction charge of one half of 1 per cent is currently levied on gold tranche drawings, and this will be removed. Henceforth remuneration at the rate of 1½ per cent per annum will be payable on creditor positions in the fund. In most years since 1963 Canada has been in a substantial creditor position. There are other amendments which are less important and I will be happy to

discuss any or all of them at later stages of debate if it is the wish of the house.

Finally, Mr. Chairman, the bill will propose a change in the Currency, Mint and Exchange Fund Act which will permit special drawing rights to be held in and counted as part of Canada's exchange fund. In this way we will have authority to fulfil the undertaking in the new scheme to accept and hold the new special drawing rights. The government hopes that it shall, in the near future, be able to notify the managing director of the Fund that the Canadian parliament has passed the necessary measures to enable Canada to participate in this historic step forward.

• (8:20 p.m.)

Mr. Lambert (Edmonton West): Mr. Chairman, the rather hurried and capsuled description of the proposed legislation—and I do not wish to criticize the parliamentary secretary when I say this—is something which, in my view, confirms the requirement that, following the passage of this legislation and the printing of the bill, the government should immediately place a resolution on the order paper—and I am quite prepared on behalf of the opposition to accept a motion from the appropriate minister without further notice—that the bill shall be referred to the committee on finance, trade and economic affairs for examination and, if necessary, for the purpose of hearing certain representations. I think that, while some people may perhaps criticize the desire to examine this legislation in greater detail and to hear representations in connection with it, as being an unnecessary step, what we have experienced in the last 18 months is a clear indication that the methods used by the countries to exchange their currencies and to maintain the stability of their currencies, and in fact all the operations of the I.M.F., have come under the most extreme strain.

There have been crises with respect to the two reserve currencies, twice with regard to the pound, the last being in November of 1967, and a massive assault on the dollar in February and March of this year. The last one was a few weeks ago with regard to the franc. The unfortunate part is that the rhythm of this cycle of financial crises is accelerating. It is almost as though we were watching a boat starting to rock while at the same time we possessed a greater force which accentuated that rocking. Soon the rhythm will accelerate and the effects on the boat will become more pronounced. It will be that when we go over the brink it will be too late, and therefore I think it is of the greatest importance that we as Canadians contribute to the desirable stability in international monetary relationships.

All types of governments participate in these relationships, and I do not think there is any country, whether it be socialistic or capitalistic, that has a monopoly in or an exclusive recipe for the maintenance of prosperous conditions in that country. Why must there be additional international credits? Simply because the U.S. dollar and the pound sterling which have been used by the International Monetary Fund as reserve monetary units have come under increasing internal strains, and this has been the weakness of the International Monetary Fund in recent years. The U.S. dollar is affected of course in its value by actions on the domestic scene, and all too often those efforts which are made domestically in the United States in connection with problems of inflation or of stimulation of the economy have opposite or complicated effects when it comes to the international market.

We have seen that the strain on the U.S. dollar came about this last spring as a result of the continuing pattern of deficiency on the balance of payments accounts while the United States was active in its trade pattern, its foreign aid, the war in Viet Nam and in a number of other fields. The net result was that known holdings of U.S. dollars by Foreign interests last March exceeded by about $4,000 million the U.S. gold holdings. The reason why the pound sterling has been under severe attack is similar. That currency too has become a unit of international holdings, particularly by countries, banks and individuals in the Middle and the Far East. It is a currency of international commerce. The Lord only knows, the British have been having problems at home, many of them of their own making, and yet the pound, which is suffering such vicissitudes on the domestic scene, is supposed to be the unit of stability on the international scene. We have seen now that this cannot continue.

So far as Canada is concerned, those of us who were here last February and March were well aware of how close we came to the point of having to devalue our currency. The then minister of national revenue was indiscreet in indicating a figure on television, when in actual fact the correct figure was somewhat lower. The then minister of finance had to rebuke his colleague for being indiscreet on

television, but for the administration of the day it was par for the course. To me it was just a measure of irresponsibility.

As a matter of fact, just what was the pressure on the currencies? As we know, there was a flight from the franc to the German mark, and there was a tremendous amount of speculation with regard to the mark because it was anticipated there would be a revaluation upward. There are movements of floating capital, which is known as hot money, which are undertaken to improve the value of the capital as a result of fractional changes in valuation.

• (8:30 p.m.)

When it was decided by the French government that the franc would not be devalued, and that the Germans were not going to revalue the mark upwards, about which the Germans were not too enthusiastic, in one day there was an immediate flight of $300 million from the German mark to United States dollars. So you observe, Mr. Chairman, this movement back and forth.

If the United States dollar is affected by this crisis, then so is the Canadian dollar. Although we might be standing by relatively innocently on the side, as a very interested bystander in a currency crisis for one of our trading partners in western Europe, we are caught up by the splash. Therefore, Mr. Chairman, we in Canada have a special interest in the liquidity of the international reserve units, particularly unit that is being set up under these proposals for special drawing rights which are available in times of crisis.

I indicated, Mr. Chairman, that we are going to get caught up by the splash. May I point out that since 1963 Canada has become even more involved. I wish that Canada were not so involved with the U.S. dollar, that there were more options open to Canada in dealing with domestic situations and also with our own position in the international market. We have what the Minister of Finance, I think for reasons of semantics, wishes to call a target; but what I call a ceiling, call it what you will, Mr. Chairman, Canada may hold between $2.55 billion and $2.6 billion worth of United States obligations.

What has happened since this crisis last March, Mr. Chairman? First of all, we are down to holdings of $2.55 billion. Of that sum, $500 million consists of non-negotiable United States securities which Canada retained as a result of realizing some of its convertible United States obligations. This Canada had to do as the price of relief from the mandatory guide lines that were set last January, and the manner in which we were involved during the currency crisis last spring. This situation is severely limiting Canada's options for dealing with its financial problems at home and on the international market.

I was glad to hear from the Minister of Finance, Mr. Chairman, that talks are now going on with the United States treasury officials on this particular subject. Less than one year ago, Mr. Chairman, I was told there was no problem with the ceiling. I do not take credit for my remarks, but pressures here and there, have had some effect on finance department officials. I am not alone in my views. Nevertheless it is conceivable that some of the remarks made by Canadian delegates—chiefly myself—during the Canadian-United States interparliamentary union meeting in March may be bearing fruit. I believe that this so-called ceiling, if we must have one, and I say we should not, should be raised; it should be increased by at least $1 billion.

I suggest, Mr. Chairman, that this ceiling is having a deleterious effect on our domestic financial operations in that, our trading pattern having been what it has during the last 18 months, the Bank of Canada has found itself under obligation to enter the exchange market to pick up U.S. dollars. To do so it has put into circulation millions of Canadian dollars. In other words, it has had to skim off the market of U.S. dollars within Canada to keep us under the ceiling.

We know that last week, Mr. Chairman, the Minister of Finance engaged in some refinancing operations and was able to prepay some obligations falling due in 1969. At the present time he has been able to pick up a little spare cash. As a matter of fact, he indicated that he would not have to go to the capital market again shortly.

That may be his plan, Mr. Chairman, but frankly I can see a danger arising which may make the minister go to the market. The minister will need cash to go to the exchange market to buy up U.S. dollars, because we are pushing through the ceiling that has been imposed upon us. If our holdings go up, or threaten to go up, to $2.7 billion, $2.75 billion or $2.8 billion, the minister has to skim off the extra up to $200 in United States funds, and for this he will have to go to the market.

What will be the result then, Mr. Chairman? There will be an upward pressure on our domestic interest rates. This will bring in U.S. money for investment purposes, and away we go again as the wheel turns. The system is self-perpetuating and certainly of no assistance to the government in maintaining an even hand on the tiller, so far as our financial situation is concerned. It is for that reason among others that the sooner we get out of this strait-jacket the better.

At the present time, Mr. Chairman, the Canadian government's credit position is lamentable. The bond market is in disarray. If hon. members want to read something that is truthful, that has no political bias or partisan approach—something which some might try to ascribe to my remarks—then let them read the remarks of the president of the Bank of Montreal yesterday. They are a clear indication of what is thought of the bond market. Let hon. gentlemen opposite consult with their financier friends—and the Liberal party does have friends in Toronto around Bay street, or do they now?—and get a frank answer from those who are in the bond business or the banking field about the position of Canadian bonds.

We know how the level of interest rates has had a general effect on housing, Mr. Chairman. To assist in the correction of this problem the government must start at square one. We must first attack this artificial ceiling that we have on U.S. exchange holdings. Then we shall see that we can have greater freedom to act on behalf of Canadians.

• (8:40 p.m.)

The parliamentary secretary gave us a brief outline in capsule form of many of the main features of the bill—the special drawing rights, that these were new and were not replacing other reserve units, and so on and so forth. I do not think I need to comment on all those things. I can only say that we will appreciate being able to get hold of the bill. I trust this resolution will pass this evening. Finally I should like to know from the parliamentary secretary whether there is an undertaking from the government that the bill will be referred to the finance committee for study in the new year.

Mr. Burton: Mr. Chairman, I note with pleasure that the parliamentary secretary to the Minister of Finance recognized the abilities and knowledge of the late Colin Cameron in the field of financial and monetary affairs. I hope that recognition will produce a further study of his ideas which he so often presented to parliament; I also hope that that study will result in the adoption of some of the ideas he advocated so eloquently.

Some hon. Members: Hear, hear.

Mr. Burton: Although I do not wish to detract from the parliamentary secretary's sense of history in bringing forward this proposal, I think it is necessary to express a note of caution, so that we may deal with this proposal in as realistic a fashion as possible.

The proposal before us was developed after a great deal of work and negotiation, yet it is but one step on the difficult road we must thread in finding a monetary system that will work satisfactorily. In this respect it is worth noting that the special drawing rights referred to by the parliamentary secretary, which will be dealt with in the bill, do not help with respect to the current problem that has been facing monetary authorities the world over in recent weeks. The *Financial Post* of November 23 has this to say on the matter:

> Contrary to some views, the present money crisis is not the type of problem the proposed Special Drawing Rights (SDRs)—or international reserve currency to supplement gold, US$ and sterling—was designed to correct. "SDRs are designed to improve world-wide liquidity, not to stabilize an imbalance between one country and another," a senior Ottawa official said. "It would be wrong to use SDRs—if they were in operation—in a situation like the present French-German problem," he said.

The parliamentary secretary also noted that in the proposal before us, which is to establish special drawing rights, there is no provision to replace gold or other reserves. That, itself, indicates the role this measure will have in dealing with our monetary problems.

I submit that we can consider this resolution in a realistic way only if we consider recent developments in world monetary affairs. No doubt hon. members are aware of the events of the past few weeks. These were summed up neatly in the *Globe and Mail* of November 21, in an article reprinted from the New York *Times* and the *Associated Press:*

> The latest international money crisis—the third in 12 months—has exposed once again what many regard as the Achilles heel of the otherwise successful international monetary system that was agreed upon by the leading nations almost 25 years ago.
>
> But while the vulnerability of the system to crisis is now widely recognized, there is only the barest

beginning of official exploration of the most plausible remedy. The remedy is already seen to present numerous problems.

The Achilles heel is that the monetary system provides for fixed, steady exchange rates among currencies for trade and other international transactions, without any parallel binding obligation for nations to pursue policies that keep their international payments in balance at the exchange rate they have chosen.

Thus, in the view of thoughtful critics, the system makes it almost inevitable that from time to time one or another leading country "gets out of whack" with the others—yesterday Britain, today France and Germany, tomorrow, perhaps, the United States. For one reason or another, a nation's balance of payments drifts into chronic deficit or chronic surplus.

The article then points out the reasons for the difficulties that are encountered in the present system. I continue quoting:

The system provides a way out—devaluation of the exchange rate for a country in deficit, or revaluation for a country in surplus. But this is invariably a painful move for domestic political reasons. In the case of devaluation, for example, consumers pay more for imported goods and vacations abroad cost more. In the case of revaluation the profits of the important export industries are reduced and the farm sector may be badly hit.

The inadequacy of our present monetary system has been illustrated in the past few weeks by the panics that have developed when problems have arisen. There are special meetings of finance ministers and top monetary authorities of the countries involved. They patch up the difficulty that has been presented, and we go to another crisis a few months later.

Basically we lack enough liquidity money to cope with the amount of world trade as it has been expanding over the past decade. Canada, I think, is in a most vulnerable position, a position set out in the *Financial Post* of November 23, where the following words appear:

The stability of the C$, and that of many other currencies, could be upset if Europe's money troubles are not solved soon. But for the moment, France's problem is localized and Canadian observers are hopeful a solution can be found before trouble spreads.

It will take more than mere hope, Mr. Chairman, to solve our present problems. I ask, what action has Canada taken? Certainly, we have participated in some international negotiations. All the same, has there been any real Canadian initiative to deal with the problems at present facing us?

I wish to remind the committee of something the hon. member for York South, my parliamentary leader, said a week ago when

the Minister of Finance made a statement to the house about the recent situation I have just discussed. The hon. member for York South deplored the state of affairs that permits our monetary affairs to be so profoundly influenced by speculators, and people manipulating our international financial affairs. In this connection I was interested to read an article in the Ottawa *Citizen* of November 16 about these gnomes. The heading is, "Who and where are the gnomes?", and the article says this:

International currency crises are commonly blamed on the manipulations of the money market speculators, the gnomes of Zurich, or Wall Street, or even Bay street.

But it is not generally known just who these men are and how they practise their financial wizardry.

Money market experts paint this composite picture of the average gnome:

He is either the treasurer of a big corporation, or its adviser. His job is to advise his company, among other things, on the prospects for fluctuations in the value of the major currencies.

On his advice, his company will flit from currency to currency, trading the weak for the strong. In the process, it can both make money and guarantee protection for its assets.

• (8:50 p.m.)

Later the article goes on to discuss the influence which these speculators and "gnomes" have on the international monetary situation. The writer states:

Opinions on currency speculators vary. Government officials cite dangers in putting the interests of the company before country.

They point out speculation is self-generating. When dollars are sold in large volume, the exchange rate goes down triggering more sales. A heavy flight of dollars from the economy drains foreign exchange reserves which have to be shored up by the central bank.

Later the article says:

The decisions are not always easy. Sometimes a warning flashed by a currency adviser can have drastic implications for an economy.

Some observers have suggested that changes ought to be made in the present international monetary system. This question was discussed in the *Globe and Mail* of November 29:

The frequent recurrences of these monetary pressures raises a question as to whether the rigidities of the present fixed-exchange rates should be scrapped in favour of a more flexible system that permits a currency to fluctuate more than the present 1 per cent above or below its declared value.

There is an even broader framework to be considered, and it includes the proposal for the demonetization of gold entirely. This is dealt with in some detail by Mr. Harry

Johnson of the London School of Economics in an article which appeared in the *Globe and Mail* shortly after the gold crisis of last March. Mr. Johnson states:

Painful as the process may be, the attempt to preserve a special monetary role for gold may quickly end in the realization that the effort itself automatically demonetizes gold and converts the world monetary system into one based purely on bookkeeping transactions.

The hope must be that the world's monetary authorities can meanwhile keep their nerve. If they weaken, progress toward a rational international system will be put back a generation. The gold crisis which erupted again two weeks ago, forcing the emergency meeting in Washington, has long been anticipated by international monetary experts.

The only question has been when, and that question has now been answered. At the root of the crisis is the inherent logic of the gold exchange standard itself—the system under which the major countries maintain fixed exchange rates between their currencies by pegging them to convertibility into gold at a fixed price. As a means of providing an international monetary framework, however, this system is inherently illogical. For there is nothing in the laws of nature to guarantee that additional supplies of monetary gold will be forthcoming at precisely the rate required to provide for the world's growing needs for international money.

Instead, the world's supply of new monetary gold is dependant on the vagaries of:

—New discoveries and changing technologies of gold extraction;

—The demand of hoarders and commercial users;

—In the past 10 years, communist sales of gold from stockpiles or new production.

The article goes on to state:

It is true, theoretically, at least, that the gold standard has a self-stabilizing tendency. This is what Jacques Rueff, a leading French economist, is fond of arguing. If prices rise, gold production becomes less profitable, exerting a deflationary influence on the supply of monetary gold and hence on money. Conversely, falling prices stimulate new growth production, exerting an inflammatory influence on the supply of money and prices.

But these influences are slow and uncertain and are swamped by the forces of change in gold technology on the one hand and financial innovation on the other. In addition, government policy makers are not now prepared to abide the slow-grinding discipline of the gold standard.

Throughout the twentieth century the long-run inclination has been for new monetary gold supplies to increase less rapidly than the demand for international reserves. This tendency has been reinforced by government policies that have produced a secular inflation of prices. The result has been a growing scarcity of gold, which has been avertable in the short run by the substitution of national securities convertible into gold for gold itself, at the long-run cost, though, of rendering its system increasingly vulnerable to crises of confidence.

The article goes on to state:

Since the second world war the dollar has come to play the role previously played by sterling and the system has arrived at precisely the same sort of crisis of confidence. Under the system a crisis of confidence is ultimately inevitable. But when and where it strikes depends on the appropriateness of the fixed exchange rates between the various national currencies mediated by the use of gold as an international monetary base.

Mr. Johnson concludes his study by stating:

A coldly rational view of the present international monetary situation would be (1) that gold is a very poor and unrealiable base for an international monetary system and (2) that as soon as possible it should be dispensed with. This implies (3) that gold held as a monetary reserve should be sold as rapidly as possible to anyone who has a non-monetary—and especially a misinformed—speculative use for it and (4) that international reserve money should instead be provided by an international credit operation.

This is, in fact, the way in which world central bank opinion has been moving. In particular, the plan for special drawing rights approved by the International Monetary Fund in Rio de Janiero last September implied the eventual replacement of gold by as pure a pure credit money as could be devised.

Some of these proposals have been dealt with by other observers who share the concern felt for the stability of the present monetary system. Mr. Alan Day of the London *Observer* service recently stated in an article which appeared in the *Globe and Mail* of November 26:

Last week's financial crisis was a direct consequence of the unnecessary rigidity of the international monetary system. So long as each country regards any significant change in its exchange rate—either upward or downward—as a national defeat in the last ditch, the international system will continue to operate under quite unnecessary strain.

Later, Mr. Day writes:

Such is the rigidity of the international monetary system that the necessary adjustments can take place only after attempts to shore up a crumbling structure of exchange rates have been accompanied by speculation and rumours which put a heavy strain on currencies such as sterling and the dollar, whose true role in the situation is neutral.

The article goes on to suggest:

One approach which deserves the careful consideration of governments and bankers is the so-called "crawling peg". Each government would agree not to alter its exchange rate more than, say, 4 per cent in any one year. This would allow quite big adjustments to be made within fairly short periods of time, and, if used sensibly, could prevent the development of major imbalances. At the same time it would mean much smaller opportunities for speculators than the present adjustable peg system and would not create major uncertainties for businessmen who could, in any case, cover on the forward market.

The most important thing, however, is for governments and central banks to accept that the present system is too rigid with the consequence that when adjustments become unavoidable the strains are unnecessarily large.

It should be recognized that any change from a fixed exchange rate to a floating exchange rate does involve other considerations; there will be occasions when unusual strain is placed on the monetary system at which time complementary steps would be required such as selective exchange controls. A further question to be considered is the concentration of a large degree of economic and financial power in the hands of corporations whose head offices are in the United States. This is a consequence of the branch plant economy with which we have to contend to such a large extent today. The fact is that corporate decisions which bear no relation to the national interest could in many cases help produce a crisis situation. The step before us at this time is but one small step upon a long and difficult road. What is required from the Canadian government is more leadership and better leadership in finding a long term solution to monetary difficulties.

• (9:00 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, the resolution now before the house reminds me singularly of the attitude of the Social Crediters who sat in this house some 22, 23 or 24 years ago, at the time of the first Bretton Woods agreements. At that time, the member for Lethbridge, Mr. Blackmore, warned the Canadian parliament of the consequences of the Bretton Woods agreements; today, we have come to exactly those consequences and results which were forecast 24 years ago by the Social Crediters who sat in roughly the same corner of the house.

At that time, Mr. Chairman, the Prime Minister, the Right Hon. Mackenzie King and the members of the cabinet found the remarks of the Social Crediters slightly crazy, slightly stupid; but let us look at the present world monetary crisis. Do not all the countries look like a group of stupid people trapped in a system of figures with which they cannot agree, which they cannot assimilate or accept, according to the physical possibilities they have to develop or make exchanges between each other?

We are now at grips with the same system; yet, 24 years ago the Social Crediters forecast the consequences of the situation in which we now find ourselves. At that time, the Social Crediters were laughed at, where they spoke of the fiasco that was awaiting the nations of the world that signed the Bretton Woods agreements.

[Mr. Burton.]

Four days ago, one could read the following in *Le Soleil* of November 27, and I quote:

The future of money remains troubled.

Message from the French, from General de Gaulle, to the effect that the financial system is faulty. Will we need an international monetary reform? The heart is lacking to effect a national monetary reform; yet, the point has been reached where the necessity for international monetary reform is recognized.

Mr. Chairman, thanks to the opportunity afforded me by the study of the resolution introduced by the honourable Minister of Finance (Mr. Benson), I am pleased, on behalf of Ralliement Créditiste, to let the house know what we think of this new arrangement within the International Monetary Fund.

With a view to creating new reserve assets to supplement gold—24 years ago it was gold, nothing other than gold which was to serve as the basis for international finance or the International Monetary Fund. On a national level, we have already known the famous gold standard as a guarantee for Canadian bank bills—whether it be bills issued by chartered banks, at that time; or since, by the Bank of Canada—and we thought gold was absolutely needed to give value to our Canadian dollar.

On May 1, 1940, to pay for our war effort, to equip our young Canadians and send them to the international slaughter, the Canadian dollar was taken off the gold standard, it was no longer backed by gold. There was not enough gold for the credit we needed to increase our participation in the world war. The gold reserve backing the Canadian dollar was abolished.

Mr. Chairman, new reserve assets are now being asked for the International Monetary Fund to supplement the gold reserve because there is no longer enough gold available. Some countries have no gold, others are supposed to have too much and others still have enough.

Let us take the example of France which objects to gold no longer being used to back money because it is said France has huge quantities of gold. Last year, less than twelve months ago, when the pound sterling was devaluated, when the British government was forced to impose tremendous restrictions on its people, our international and national financiers were praising France by saying that it had a sound monetary system; that it could no longer be crushed, and that the

French franc had a value which could not be affected.

Now France is facing the same problems as England less than a year ago, and they are now talking about reserve assets that would supplement gold in the international field. In fact, the resolution says:

—reserve assets that would supplement gold and reserve currencies in the participating countries foreign exchange reserves and would effect certain administrative and operational changes in the existing structure of the fund; and to permit the Exchange Fund Account to receive, hold and sell the new reserve assets.

As was said earlier by the hon. member who spoke before me, in order to supplement gold, we are now going to accept figures, credit, simple figures—scrip money as we call it—and we shall accept it as reserve currency in the I.M.F.

Twenty-five years ago, the Social Creditors were lunatics; today, there are other kinds of lunatics who are more dangerous than the Créditistes, because we advocate only one solution while the present system offers none.

They try this and that, but let us look at the editorials in the newspapers, one after the other. Nobody, not even the economists, are able to find a solution to the present international financial problem. They still poke fun at Social Credit which wants to use figures—according to the physical capabilities of a country to develop itself or to develop the whole world—which are equivalent to the work accomplished by peoples or by the Canadian people as far as Canada is concerned. Of course, these solutions are considered oversimple, they cannot be understood. I should say rather that they are understood but that one is paid not to understand them.

Some hon. Members: Hear, hear.

Mr. Caouette: First, Mr. Chairman, I want to point out that this resolution results from decisions made during the annual meeting of the International Monetary Fund held in Rio de Janeiro, in September 1967, in which participated the former minister of finance (Mr. Sharp).

On that occasion, Mr. Pierre-Paul Schweitzer, director of the International Monetary Fund stated that the arrangements considered at the meeting with regard to international liquid assets were the most imporant development since the Bretton Woods agreements in the field of international financial cooperation.

Since we are dealing with the Bretton Woods agreements and with a subsequent development, the special drawing rights, I want to recall the approach of the Ralliement Créditiste on this subject.

In 1945, during the discussion on the Bretton Woods agreements, as I said earlier, the Social Credit member for Lethbridge, who was an expert on financial matters, was considered tiresome because he spoke about money and monetary reform. He challenged parliament to prove him wrong but no member on the government side of the house took up the challenge.

The Social Credit proposals of the hon. member for Lethbridge were thought very tiresome. Nevertheless, he had cast a doubt on the ability of the International Monetary Fund and other instruments created by the Bretton Woods agreements to allow the debtor nations to pay their debts, since nothing compelled the creditor countries to accept the exports of the debtor countries.

Events in the world during the past 20 years have shown that the Bretton Woods agreements have not stopped practically all the member countries from devaluating their currency, as Canada did in 1963, when the Conservative government fell. Everybody remembers that. As we know, that devaluation came after a too marked imbalance in our commercial trade with the United States. At that time, Canada had to impose restrictions on the Canadian people in order to check the purchase of United States products.

• (9:10 p.m.)

That measure simply confirmed what the hon. member for Acadia, Mr. Quelch, predicted, as is recorded on page 3134 of *Hansard* for December 6, 1945, and I quote:

That is to say—

He was talking about the proposals regarding the International Monetary Fund—

—if the United States consistently refuses to accept imports in exchange for its exports, thereby depriving other nations of dollars to pay for imports, then the fund can borrow or buy with gold, dollars from the United States to enable the debtor nations to balance their payments. But, mark you, it would be done by going into debt instead of by balancing trade and having an exchange of goods.

As the Bretton Woods agreements did not yet exist, money was borrowed from the United States. To-day, we can get into debt

by borrowing from the International Monetary Fund, by using special drawing rights, as we did during the 1963 monetary crisis.

Thus we can say that the Bretton Woods agreements did not prevent Canada from devaluating its money and getting into debt by borrowing from international organizations. So much so that we never slowed down this trend and to-day, our national debt amounts to $26 billion against the $18 or $19 billion at that time.

Mr. Chairman, those agreements did not solve the basic problems of Canada. The international control of money, as provided for in the Bretton Woods Agreements Act and the bill now under consideration, does not help Canada to distribute to its people our available products and services. It would be wiser to settle our own affairs and seek a solution to the problems of Canada.

On the contrary, the philosophy of the Bretton Woods agreements and any measure deriving therefrom, such as the bill now under consideration, prevent us from making possible all that would be humanly possible and advisable in our country, because we are entrusting the control of our credit and our money to other countries and foreign authorities, instead of keeping it here in parliament. The Bretton Woods agreements have been in force for 20 years, Mr. Chairman, and nothing has changed. The economic situation has worsened in Canada as elsewhere.

I get letters from Montreal where there are now 80,000 unemployed. What can the Bretton Woods agreements do to settle that problem? But they are given so much importance. It was nice—in fact, it was a magnificent spectacle—to see the other day in Paris or in Bonn, Germany, the representatives of the ten richest countries in the world decide whether or not France should devalue the franc. They were going to settle the future course of the monetary situation in France, and everyone expected a devaluation of the franc. The speculators were dealing on the stock exchange to make a profit and when General de Gaulle announced that the franc would not be devalued, some people pulled a long face.

Mr. Chairman, the French people have not been saved for all that. General de Gaulle declares that he will not devalue the franc, but he imposes tremendous restrictions on the French people, so that it is tantamount to a devaluation of the franc for the French consumer or purchaser.

[Mr. Caouette.]

Mr. Chairman, the same thing happened in Canada as well as in England. And today, they believe that with new agreements, or by supplementing the gold reserve deposited with the International Bank or the International Monetary Fund, they will improve the situation. The Bretton Woods agreements have done nothing for the last 24 years.

Mr. Chairman, nothing has changed. Let us listen to what the Minister of Finance said at the conference held in Rio de Janeiro on September 27, 1967—less than a year ago—and I quote:

> The total volume of reserve assets held by monetary authorities in different countries depends at the present time essentially upon the gold production—

That is the Minister of Finance talking.

> —to be used to improve the reserve position and the balance of payments of some of the principal countries as well as to serve their reserve policy. We are becoming increasingly aware of the inadequacy of that system.
>
> These past few years, we have resorted to various devices which have allowed the system of sudden crises to continue.

What is the new solution proposed? The creation of special drawing rights, which are actually credits created out of nothing, which will only plunge us into debt, which we will have to reimburse and on which we will have to pay interest.

If a resolution can be introduced in parliament to allow us to have special drawing rights on the International Monetary Fund, how is it that the Canadian parliament, the parliament that is answerable to the people of Canada, cannot pass similar laws to enable the Canadian government to have special drawing rights on the Bank of Canada, in order to get the Canadian economy going?

Mr. Chairman, special drawing rights are needed in the case of the International Monetary Fund; but it seems impossible to create the same drawing rights on our own financial monetary institution, the Bank of Canada. The Liberals find that logical. Not one of them will speak against the Bretton Woods agreements. On the contrary, its benefit will be praised. And that is what is being presented to us as a new solution: the creation of special drawing rights which, in fact, are credits created out of nothing, out of paper gold, as General de Gaulle put it.

Here is what the French Minister of Finance, Mr. Michel Debré, had to say at the conference in Rio de Janeiro, and I quote:

• (9:20 p.m.)

It is often said that both problems would be solved by creating ex nihilo new monetary liquidities and by bringing those liquidities to the level of a new currency independent from gold and replacing gold. Is it really serious? It is impossible to create a currency out of nothing just as it is impossible to create political institutions out of nothing.

Mr. Chairman, in our opinion, money is created according to the real wealth which exists in a country like ours.

At the present time, as I said earlier, gold is no longer used as the standard for money in Canada. It is still used in the field of international relations because some countries still believe in gold, but it is a myth. Gold is used and people believe that the precious metal is the real basis for wealth, whereas in itself it constitutes only short lived wealth. If we wished to use gold, Mr. Chairman, to provide our families with food, lodging and clothing, that would be quite peculiar. We do not need gold, but clothing and food. We realize that more and more when we lay aside the question of gold to deal with that of credit based on the actual resources of a country. That is what the Ralliement Créditiste has been asserting for a long time.

Mr. Chairman, in the issue of *Le Soleil* which I quoted earlier, we can read the following:

The future of money remains gloomy. Even if the special drawing rights are freely accepted by all countries as part of their international monetary reserves—and nothing is so far from being sure—these rights would only enable nations to postpone a little consideration of problems which cause inflation.

That means that nothing is solved yet.

And I continue the quotation:

The newspaper adds this: "The recent experience has once again demonstrated that an attitude of levity towards currency is not even a good policy in the end—When this lesson has been learned, perhaps a monetary conference will serve some purpose. For instance, can the nations who want a certain amount of freedom towards world monetary discipline find a respectable way of ensuring it; they can be a little more flexible in their exchange rates".

The paper concludes: "Rigid exchange rates and rigid inflationary financing demonstrated that this is a fine recipe to produce chaos".

And there are bumps to go with that.

In *La Presse* of November 20, this is what Cyrille Felteau had to say. I quote:

Lessons from a monetary crisis.

In the eye of the layman and the experts, the new and serious difficulties the franc is going through prove beyond all doubts that the international monetary system is sick. In any event, that is what General de Gaulle and Mr. Couve de Murville have been saying for quite some time. In his televised speech to the nation, the French premier did not fail to emphasize this important point.

Those who participate in the system will have to take stock of themselves, if they want to prevent other jolts of this kind, which could degenerate into an economic depression on an international scale.

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired. Does the committee agree to let the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Caouette: Thank you, Mr. Chairman.

I also thank my colleagues for allowing me to continue my remarks. However, I shall not take unfair advantage of the opportunity given to me. This shows the advantages of the democratic system which allows one to express one's views even if they are different from those of others.

Mr. Chairman, I continue to quote from Mr. Felteau's article:

The participants in the system will have to take hold of themselves if they want to avoid other crises of this sort which can lead to an international economic depression.

I should be noted that the present crisis opposing the franc to the German mark is the third crisis to shake the world monetary system in twelve months.

There have been three international monetary crises in the space of twelve months.

In November 1967, the pound sterling fell. In March 1968, there was a rush on gold—

There was a general rush on gold.

—followed, in the spring, by a running away from the franc and the pound sterling.

In 1968, nobody wanted francs or pounds sterling.

Many Canadians will also remember that in January of that year, the Canadian dollar was saved in extremis.

It was almost a case of administering the last rites.

All this shows that most currencies, with the exception of the American dollar, are more or less vulnerable.

And even the American dollar gave rise to speculations last spring.

> In spite of several important differences, the present situation in France is similar to that which has existed in Great Britain for years.

As I was saying earlier Mr. Chairman, was France, a year ago, not considered as the country with the strongest monetary system in the world? And one year later, France is driven into a corner, as England was two or three years ago. Today, Germany is considered as the country with the strongest currency in the world; a year ago, there was no talk of Germany or of her Herculean strength from the monetary point of view. Today, everybody says that Germany has the strongest monetary system because her people are hard-working and productive. As if France and England had stopped producing, and French and English workers did not want to work!

The international finance is thus putting out feelers in the world. Those wretched financiers, Mr. Chairman, are responsible for destitution throughout the world. They create destitution in all the countries of the world and not only in France or Great Britain, but even in Canada. When we have reached the point where a responsible government as the Canadian government, finds neither the courage nor the strength to act and to make a thorough reform of the Canadian monetary system, what can that government expect to do and what influence could it have at the international level?

In his article of November 20, 1968, Mr. Felteau stated:

> In spite of a few considerable differences, the present situation of France is similar to that which prevails in Great Britain and which started there many years ago. This has been pointed out, for example, in the Wall Street Journal who without mincing words feels that "if Great Britain and France want to become financially respectable they will have to become financially responsible—"

• (9:30 p.m.)

Those are potent words: "To become financially respectable, they have to become financially responsible". Governments must become financially responsible. If the government worked toward a monetary system adapted to our physical possibilities, to the work performed by the whole nation, it could then be called financially responsible and financially respectable.

At the present time, France, Britain, Germany, the United States and Canada are not financially respectable but financially irresponsible, because they will not face facts. Mr. Felteau concludes by saying:

> A kind of "red light" which could not by itself stabilize currencies. For this purpose nothing replaces policies of austerity.

Mr. Felteau concludes by saying that austerity must prevail, that we must tighten our belt, while production is lost or deteriorates on store shelves, and some people understand that.

I have here in my hand the letter which came with the *La Presse* clipping and which says:

> Dear Mr. Caouette,
>
> I hope that you will take a few seconds to talk about that on your T.V. program.

I will talk about it on television eventually, but tonight I bring the matter up in the House of Commons.

> Would the Grand Charles be a Créditiste?

Because of his financial difficulties? I hope so. If we have to face financial difficulties to open our eyes, let us consider the stupidity, the nonsense of a monetary system like the one which is imposed upon the nations of the world.

What gives value to the Canadian dollar? The French people from France? The British from England? The Chinese from China? The Russians from Russia? No. Those who give value to the Canadian dollar are the Canadian people who develop their country, and no one else. Our Canadian dollars do not circulate in the United States nor in Russia.

When I went to Russia, four or five years ago, the Russian people looked at the Canadian dollar and found it funny; they did not even recognize the picture of the Queen of England. In their country, the monetary unit is the rouble. I noted, as did those who were with me, that a rouble was the equivalent of an American dollar and, as soon as we left Russia, we went to Zurich in Switzerland—I was with the hon. Minister of Agriculture (Mr. Olson) who, at the time, was a good Social Crediter—to exchange our roubles for dollars. Then, we found that, on the international market, we needed four roubles to get one American dollar, while in Russia one rouble was equivalent to one Amercan dollar. The value of the rouble, therefore, depreciates at the international level, but does that prevent the Russians from developing at home? Some say that they will reach the moon before the Americans, and I hope so. Let them go on the moon and stay there. However, the fact remains that inside their

country, they could not care less about American dollars, Canadian dollars or French francs and they succeed in developing their country, perhaps through painstaking efforts because they do not have our production capacity. Their production system is completely disorganized, but they keep on going anyway according to their capacity.

Why, in a country such as Canada, could we not do the same thing? What prevents us from developing our riches if not a lack of money?

In the whole world, people wish to participate in the International Monetary Fund, to allow underprivileged countries to avail themselves of special drawing rights.

In my opinion, this is just running round in circles, and in twenty years from now, if we are still alive, we shall be asked to reconsider the Bretton Woods agreements, as amended according to this resolution; we shall still be contending with monetary problems that the present system cannot solve.

So, instead of contemplating a reform of the international system, let us begin with the reform of our own domestic system, let us create Canadian dollars according to the opportunities we have to develop our natural resources. At present the government wavers; claiming that we are short of money, it blocks highway construction and enlargement of hospitals, while patients are waiting for admittance.

Mr. Chairman, we will go and borrow from the International Monetary Fund to enlarge our hospitals in Canada, in the province of Quebec or Ontario; we will go and make use of special drawings rights in the International Monetary Fund to find oil wells in northern Alberta, in Saskatchewan, to enable our farmers to produce wheat and to sell it to foreign countries, or to grant them loans.

Mr. Chairman, I say we live in a financial system that defies imagination, a topsy-turvy world of fools and that we are led by the most notorious amongst them. I say and I shall never repeat enough: that is where the problem lies, and it is the duty of the right hon. Prime Minister (Mr. Trudeau), the ministers, the members of government, everyone of them, to study the problem as it is, instead of indulging in vain imaginings or spinning tall tales; in short, no dreaming in colour, as the honourable member for Trois-Rivières (Mr. Mongrain) said the other day. He is one of those who dream in colour and has been for a long time. Indeed, he has no solution to bring before the house; all he ever does is to mouth stupidities.

Mr. Mongrain: Mr. Chairman, I rise on a question of privilege.

I would never permit the hon. member for Témiscamingue (Mr. Caouette) to throw a stone in my backyard; he says I dream in colour, but his own colours are mortuary and funereal—

Mr. Caouette: Mr. Chairman, the hon. member for Trois-Rivières has just shown how he has reached some degree of intelligence. Between his ears, there is a total vacuum. He talks of funereal colours; what does his system propose except things mortuary throughout the whole country?

Mr. Mongrain: Mr. Chairman, I rise on a question of privilege.

The Deputy Chairman: Order. The hon. member for Trois-Rivières, on another question of privilege.

Mr. Mongrain: Mr. Chairman, the hon. member for Témiscamingue says that I have nothing between my ears. I am ready to concede he is a genius, but I must remind him that when I was a student, I learned that genious was the nearest thing to insanity.

The Deputy Chairman: Order.

Mr. Caouette: It is undoubtedly for that reason, Mr. Chairman, that the hon. member for Trois-Rivières did not continue his studies. In any event, I am planning something for him that he will get, not tonight but on another occasion.

Recently he told the house I was dreaming in colour. Let him tell us who is dreaming in colour, with monkey plans like that, in the whole world, if he has a head upon his shoulders that can be of some use to him and not just to wear a hat. At present, he is giving proof that it is a hat stand instead of something to reason with.

• (9:40 p.m.)

Mr. Chairman, as far as the Bretton Woods agreements are concerned, the hon. member for Trois-Rivières and most of the Liberal members never heard about them throughout their whole life, while I was in this house when the subject was under discussion and the agreements were entered into. In fact it is at that time we warned the government of the Right Hon. Mackenzie King of what is happening today.

National currencies of all countries are unstable; they are losing a part of their value and devaluations follow one another. Poverty is settling down permanently in all countries. What is being proposed against that? Absolutely nothing. Yet one allows himself to rise in this house to talk seriously before his electors in the constituency of Trois-Rivières. The hon. member can well be looked upon as a monkey in his own constituency.

Mr. Mongrain: Mr. Chairman, the hon. member for Témiscamingue thinks he is smarter than anybody else, but he has not even succeeded in convincing his own supporters.

The Deputy Chairman: Order, please. I think the hon. members for Témiscamingue and Trois-Rivières should limit themselves to the resolution under consideration.

Mr. Caouette: It is easier to get along at Bretton Woods than with the hon. member for Trois-Rivières, Mr. Chairman.

In any case, I shall close my remarks—

Mr. Mongrain: Mr. Chairman, on a question of privilege. He is provoking me and I am asking the Chair to protect me.

Mr. Caouette: Mr. Chairman, I am closing my remarks, but I do not want to resume my seat without sounding once again a note of caution to the government against what may happen within a few years. France had its turn recently; soon, it may be ours. Bretton Woods agreements will never solve the economic problems of Canada, nor will they ever solve—the way they are conceived—the international monetary issue.

It is through the exchange of goods that countries will come to an agreement. But as long as we do not take productivity into account and think only in terms of dollars and gold, the countries of the world will suffer while, as usual, the financiers will get great benefits, because they are the ones who set the exchange rates and make profits.

Pius XI said in 1931: Those who control money and credit are the masters of our lives and without their permission nobody has even the right to breathe. Pope Pius XI set forth the objectives of a sound economic structure in these terms: For then only will economy be soundly established and attain truly its end when it secures for all and each, part of those goods which nature and technical achievement can give, and that share, he said, should be sufficient to supply for all and each an honest livelihood.

The Deputy Chairman: Order. I regret to interrupt the hon. member, but his second speaking period has expired.

[*English*]

Shall the resolution carry?

Mr. Gilbert: Mr. Chairman, I rise to make a few comments on this resolution. I would like the members of the committee to note that the parliamentary secretary introduced the resolution. Prior to this he introduced the resolution on the Kennedy round. I am wondering whether there is a crack in the Liberal cabinet, because the parliamentary secretary appears to be making such progress with regard to these financial matters. When one remembers the poor budget brought down by the Minister of Finance, he appreciates why the parliamentary secretary is getting the headlines these days.

The leader of the Ralliement Créditiste should not be too disappointed with the Liberal party, because in 1962 when the Liberals were so anxious to displace the Conservative government they supported the free money theories of Social Credit.

Some hon. Members: Hear, hear.

Mr. Gilbert: The new members of the Liberal party should remember that fact. When the leader of the Creditiste party says that there should be special drawing rights on the Bank of Canada, I certainly agree with him because if you read this morning's paper you would realize the special drawing rights which the banks have on Canadian citizens. The profits that were made by chartered banks in the last year should be revealed to this house. They range from 48.3 per cent of an increase by the Royal Bank over their profits of last year, down to a low of 21.2 per cent, with an average of about 37 per cent. This indicates that the banks have special drawing rights on Canadian citizens.

The substance of this bill is to set up special drawing rights within the Bretton Woods Agreement. This was agreed upon some time ago, and we are now facing its implementation. We in the New Democratic party have said that there should be an immediate conference of the members of the International Monetary Fund so that they can re-evaluate their position and bring forth some new ideas. In his introductory remarks the parliamentary secretary said this was a major step forward. If this is the only major step forward after almost 25 years, all I can say is that it is a very disappointing one. I believe we have

had many major steps backwards, and that is why we in the New Democratic party have felt that there should be a new conference of the members of the Bretton Woods Agreement to study some of the monetary problems.

When one considers the serious economic crises that have taken place in the last year and a half, such as the two onslaughts on the English pound, the pressure on the Canadian dollar followed by the crisis with regard to the French franc, he realizes that there must be some new way out of this economic chaos. It is obvious that international speculators are playing more than their full share in creating these crises, and our parliamentary leader underlined this in his statement a few days ago. He said we should do something more than what is proposed in the special drawing rights legislation. This is why we in the New Democratic party have said that serious consideration should be given to a floating exchange rate. One of the most serious problems consists in the fixing of an exchange rate to our dollar, to the pound and to the franc in the international monetary system.

So we would welcome the reference of the bill to the standing committee on finance, trade and economic affairs so that it can be closely examined in regard to the floating exchange problem. I hope that the parliamentary secretary will invite the Postmaster General to state his views on the subject of the floating exchange rate. He is the only member in the cabinet to support it, and thus he also supports the position taken by the New Democratic party.

When the parliamentary secretary said that the approval of a substantial majority of the member nations is required, that is three-fifths of the nations having four-fifths of the total voting power, he indicated how intricate this matter is. I hope the parliamentary secretary will tell us which countries have so far given their approval to this serious matter. I suppose the over-all problem is not only to find a solution to the economic chaos which the members of the International Monetary Fund have experienced, but to examine closely the problems of underdeveloped countries, because without a great increase in trading and without the co-operation of the members of the International Monetary Fund in solving the problems of the underdeveloped nations we are found to face another serious economic crisis. Therefore I plead with the parliamentary secretary to urge the cabinet and the present Minister of Finance to press for a new meeting of the signatories of the Bretton Woods Agreement, so they could study some of the problems which go far beyond the special drawing rights.

Resolution reported and concurred in.

Mr. Macdonald (Rosedale, for Mr. Benson), thereupon moved for leave to introduce Bill No. C-138, to amend the Bretton Woods Agreements Act and the Currency, Mint and Exchange Fund Act.

Motion agreed to and bill read the first time.

FISHERIES

ESTABLISHMENT OF FRESHWATER FISH MARKETING CORPORATION

Hon. Donald S. Macdonald (for the Minister of Industry, Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation; to provide that the corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament; to provide that the governor in council may authorize the Minister of Finance, under certain terms and conditions, to guarantee repayment of loans by banks to the corporation and to make loans to the corporation, the aggregate outstanding of amounts borrowed or loaned not to exceed five million dollars; to provide also for grants to the corporation, out of the Consolidated Revenue Fund, not exceeding in the aggregate of one hundred thousand dollars to enable the corporation to meet initial operating and establishment expenses; and to provide further for other related and incidental matters.

Motion agreed to and the house went into committee Mr. Béchard in the chair.

The Deputy Chairman: Order, please. House in committee of the whole on the proposed resolution. Shall the resolution carry?

Mr. Lang (Saskatoon-Humboldt): The resolution before the committee will allow us to introduce a bill to establish the Freshwater Fish Marketing Corporation. The establishment of this corporation has been under discussion by the provincial governments concerned and the federal government for some time. The Minister of Industry, Trade and Commerce has had many meetings recently with the officials and ministers concerned with a view to moving forward in this important venture. The bill will enable board marketing of freshwater fish produced in the prairie provinces, the Northwest Territories

and northwestern Ontario to be established. It is proposed that this marketing board take the form of a crown corporation which would buy the catch directly from the fishermen, and sell the resulting fish and fish products for export and to domestic processors and distributors. This corporation would be given powers and responsibilities in interprovincial and export trade, and by agreement with the provinces it would receive under provincial legislation parallel powers and responsibilities in trade within the participating provinces. Similar arrangements would be made in the case of the Northwest Territories.

• (9:50 p.m.)

It is intended that the corporation will conduct its operations on a self-sustaining financial basis. It will be financed by bank loans with government guarantee of repayment or by direct loans to the corporation. It will receive a grant for initial operating and establishment expenses.

The objectives of this legislation will be a more orderly marketing for the benefit of the whole fishery, and by this means the achievement of higher and more stable prices for the catch; to provide the fishermen with a better share of the market value of their fish; and to expand total sales and over-all production in the fishery.

The legislation, as I have indicated, was brought forward by the government in response to requests by the provinces concerned for assistance in dealing with the industry and its chronic problems. There were various attempts made previously to solve the problems of the industry, but they were not as successful as had been hoped. It is the conviction of the groups concerned that research activity that is designed to improve conditions in the industry will not be of full benefit unless the central problem of more orderly marketing is solved.

I might remind hon. members, Mr. Chairman, that in 1964 a federal-provincial conference established a committee to study this whole question. After this study was made, in 1965 the McIvor commission was appointed to look into the question. The commission agreed largely with the findings of the province of Manitoba, which had also studied the matter and in which province approximately 40 per cent of the production originates.

These findings, Mr. Chairman, were that the industry is characterized by outmoded business practices and extremely heavy indebtedness on the part of the fishermen; that low and uncertain incomes of the fishermen make it difficult for them to improve their equipment; that much of their equipment is owned by fish companies, and heavy indebtedness on the part of the fishermen to the companies gives them no choice but to sell their fish to the companies which finance them; and that for their part the companies find the provision of credit expensive and awkward. Indeed, often the companies lack the financial strength to hold their inventories until the best price can be obtained.

[Mr. Lang (Saskatoon-Humboldt).]

In its report, Mr. Chairman, the commission recommended the establishment of an export monopoly, but strongly emphasized the need for fish to be bought directly from the fishermen and for direct transfer to the fishermen of any increased export earnings. The report stressed the importance of orderly marketing, particularly in regard to exports. It recommended some concentration of processing and some streamlining of operation with regard to the flow of products to market. It urged attention be given to improving the quality of the product of the fishery in order to increase its value and reducing the risk of loss, as well as gaining wider consumer acceptance.

The Canadian inland fishery, in total, extends over an area which contains some 20 per cent or more of the world's fresh water. In this extraordinary resource, the harvesting of fish could be more immediately susceptible to scientific management than in the ocean fisheries.

In this sector, Mr. Chairman, the annual average of landings for the six year period 1960-1966 was 74.1 million pounds with a value to the fishermen of $8.5 million. Some 95 per cent of the total landings consists of white fish, lake trout, pickerel, pike and sauger. There are few alternative sources of these species in Canada or in other parts of the world, and none in equivalent volumes.

The fish referred to in this six year period produced exports valued at $13 million. These species of fish do not compete directly with markets enjoyed by ocean fish but tend to supply a specialized demand, particularly in the United States.

Some 6,000 to 7,000 fishermen obtain employment in this fishery, many of them living at near subsistence levels. A large portion of these are Indians and Métis. Under present conditions there appears to be little or no inducement for increased productivity or for men to continue in the fishery where there is other remunerative employment

available. In contrast to this there is substantial evidence that the resource possibilities of these freshwater lake areas, on a sustained yield basis, are far greater than are being exploited.

The underlying objective of the proposed legislation is to create for the fishery a totally new environment which will be attractive to capital investment and which will enable the raising of income levels of fishermen to the point where they become independently creditworthy. To achieve these objectives, Mr. Chairman, will take time and will require the support of related provincial and federal programs in the fields of education, manpower training, research, re-equipment and financing.

Following the McIvor report, federal-provincial studies of the problems of the industry pointed to the need for collaboration between the provinces and for the use of federal powers, particularly in the regulation of interprovincial and export trade. Necessary provisions to meet these needs are made in the bill. The agency it is proposed to establish is designed in the form of a corporate organization which will receive the necessary federal powers under this legislation, and by agreement may undertake functions and responsibilities on behalf of interested provinces under related provincial legislation.

Responsibility for the administration of fisheries in these provinces is delegated under the Fisheries Act to provincial ministers. This includes matters such as licensing of fishermen. The recommendation of the provinces is that there be enforced regulations for the fishing season.

For these reasons, Mr. Chairman, and because of their general economic interest in the fisheries, provincial governments have agreed to participate in the direction of the agency and, at the same time, to co-ordinate their activities in the regulation of their fisheries for their mutual benefit.

The corporation would not be intended to duplicate existing facilities of the industry. It should seek to reduce unnecessary duplication of facilities and improve efficiency by streamlining the flow of products to market. It would need to smooth over periods of peak production in order to avoid pressure on prices. Orderly marketing would be planned in consultation with the trade acting as the agents of the corporation. In planning new investment in processing, refrigerated storage, packaging and transportation fields, the industry would be assisted by the corporation. There are possibilities to be explored by expanding markets overseas as well as in the United States, and of increasing consumption in Canada. Greater stability could be sought in part through greater diversification of products and of markets, and through wider use of available species of fish.

As proposed by the McIvor commission, it is intended to establish initial prices for each species, by grade, at the opening of each season, to make payment for the catch on the basis of these initial prices through the season, and at the conclusion of each season to distribute to fishermen in a final payment any additional earnings obtained through marketing of the catch. The corporation should also be empowered to extend short term credit to fishermen to finance the purchase of food and fishing supplies, following established practice in the existing industry.

The Deputy Chairman: Order. 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.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, has the government house leader any information about any fresh house business? It is so nice to see him moving around so quickly after those tiring sittings of the procedural committee.

Mr. Macdonald (Rosedale): Mr. Speaker, I am very pleased by the concern of the hon. member from my father's birthplace. Discussions have been going on up until the last few seconds about the business for tomorrow. We propose to go into committee of supply; I shall be talking to hon. gentlemen opposite and arranging for a continuation of the discussion at some later stage. We may be calling further estimates this week.

Mr. Nesbitt: On a point of order, Mr. Speaker. Does the government intend to move concurrence in the first report of the standing committee on transport and communications which was tabled this afternoon? If so, when?

Mr. Macdonald (Rosedale): That is one of the subjects under discussion with opposition house leaders. The number of days provided by the standing order for the consideration of estimates will soon expire. There has been some suggestion that we might use for estimates days that are otherwise available for

supply motions. I gather there will be discussions, and perhaps something along that line might be arranged for Friday.

Mr. Knowles (Winnipeg North Centre): Is it understood or will it be confirmed that on Thursday we shall be dealing with the estimates of the Department of Agriculture?

Mr. Macdonald (Rosedale): That depends on the lapse of time provided for by the order of September 20. I understand that if the supply motion provided for in that order is converted into estimates days there will be a general concurrence to deal with agricultural estimates on Thursday.

PROCEEDINGS ON ADJOURNMENT MOTION

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

IMMIGRATION—DISTRIBUTION OF PAMPHLET AS TO AVAILABILITY OF HOUSING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on November 7 last I directed a question to the Minister of Manpower and Immigration which arose out of a pamphlet entitled, "Canadian Opportunities—Housing", and prepared by the Canadian government's immigration division in 1968. I asked the question because in my opinion the information in that pamphlet is, in important respects incorrect and will tend to create a completely false impression in the minds of prospective immigrants. In my opinion the pamphlet ought to be withdrawn and not used again until it is drastically revised.

Since the end of world war II more than 2 million immigrants have come to Canada. Our immigration policy has received the virtually unanimous support of all sections of the Canadian people. Business, industry, labour, have all supported this large-scale immigration. Immigrants have come to this country not only from Britain, Germany, Holland and the Scandinavian countries from which we have traditionally received them, but also in recent years from Italy, Portugal, Spain and Yugoslavia, to mention just a few. Unlike the immigrants who came here before the second world war, the vast majority of these new arrivals have gone to the cities, mainly to Toronto, Hamilton and Vancouver. They came here because it is a country in which there have been, and are, jobs, and wages which are high enough to enable them to make the kind of living they were not able to earn in the countries from which they came. This is good, and I hope this situation will continue.

But I submit it is completely improper for the government or any other agency to misrepresent conditions in Canada. Immigrants have been told by private employers in many cases that wages are substantially higher than they really are. Within the last year, a mining company in Thompson told workers in Germany that the wages were five dollars an hour. This, of course, is not true. We do not tell immigrants about some of the difficulties they may encounter in Canada. We have not been telling them that up to this year they would not receive the benefit of the kinds of medical insurance plans which had been set up in their countries of origin, or that there is no pension plan such as exists, for instance, in Sweden.

I want to quote a couple of sections from this pamphlet. On page 14 there is one paragraph which I think is a classic of misrepresentation. It says:

> In 1967, the average cost of a new house was in the neighbourhood of $19,000. The average down payment required to purchase this house was about $4,300. The average cost of an older house was approximately $12,000, perhaps a little higher in the larger cities. The average down payment for an older house was some $2,000.

It should be remembered that the majority of immigrants who come to Canada go to Toronto, Hamilton or Vancouver. I submit that there is virtually no truth in the suggestion that an immigrant or anyone else can buy a new house in those cities for $19,000, or an old house for $12,000. No government should be telling prospective immigrants that this is the situation. I suggest to the minister that this kind of thing ought to be taken out of the pamphlet immediately.

Similarly, on page 16, we find a paragraph which says:

> While there has been some shortage of accommodation in Canada in the past year or so, particularly low-cost housing in the larger cities, there is at the present time an upsurge in construction which should improve conditions, particularly in the field of rentals.

Of course, the situation is not improving. It is getting worse. If this were not the case the Minister of Transport (Mr. Hellyer) who is in charge of housing would not be travelling across the country with the so-called task force looking for solutions. I could go on quoting from this pamphlet but I think I have demonstrated conclusively that some of the

statements in it are, to say the least, exaggerated. The minister ought to take steps to withdraw this pamphlet and to stop its distribution among prospective immigrants until it can be corrected.

• (10:10 p.m.)

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for Winnipeg North (Mr. Orlikow) for his question, but I have to argue that what he has just said is only an expression of opinion. I do not have the same opinion as he, especially in connection with his reference to page 14 of the pamphlet where it says that the average cost of a new house in 1967 was in the neighbourhood of $19,000. The hon. member said that in the regions of Toronto, Vancouver and other places in Canada he could not buy a house for that amount of money. I am from Montreal and I can certify to the hon. member that in the suburbs of Montreal he could buy a house for less than that, some $17,000 or $18,000.

Mr. Orlikow: Try Ottawa.

Mr. Loiselle: I agree that the pamphlet is wrong in one respect. It states that the down payment required is about $4,300. In the Montreal region one could buy a house with a much less down payment than that.

I have received a copy of this brochure from the department. I think it is a nice publication, which reports correctly what the Department of Manpower and Immigration can do for immigrants. For instance at page 17, referring to the information that our officials outside Canada give to prospective immigrants, it says:

> When you visit a Canadian immigration office, an experienced officer will advise you not only on housing but also on employment opportunities, the professions, education, and an almost endless list of topics about Canada.
>
> At your port of entry in Canada, you will be interviewed by a Canadian immigration officer who will look after your immediate needs. If necessary, he will refer you to the Canada manpower centre in the city or town where you will be living.

The hon. member for Winnipeg North may not agree with everything that is printed in this pamphlet, but I should like each member of the house to take a good look at this pamphlet, which is distributed by every Canadian immigration office throughout the world. It tells immigrants of everything they can expect in any field when they reach Canada. Our immigration officers also advise intending immigrants to obtain copies of Canadian newspapers and read them before coming here.

[*Translation*]

HOUSING—QUEBEC—REQUEST FOR ADDITIONAL LOANS TO COMBAT UNEMPLOYMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my remarks will be brief tonight since I have partly attained the objective I had in mind when I asked the question being discussed tonight. I wish to congratulate and thank the officials of the Central Mortgage and Housing Corporation for answering my request so quickly.

The fact is, Mr. Speaker, that a construction firm in Amos—a city located in my riding—would have been forced to lay off several construction workers during the winter if new contracts had not been forthcoming in addition to those it had yet to complete. After calling the officials of the Central Mortgage and Housing Corporation, some cases were found where loans had not been accepted and were still pending, which made it possible to award to that company in Amos two housing projects. Consequently, that company will be able to keep its workers on the payroll during the winter, which will ease the unemployment situation in that region.

Indeed, as reported on page 3070 of *Hansard,* I asked the Minister of Transport (Mr. Hellyer) the following question:

> Since the winter works program has been discontinued, would the hon. minister, in order to fight unemployment, allow additional loans above the 6,000 already granted to contractors for the building of houses next winter?

As will be recalled, the Minister of Transport had previously announced that loans would be available to contractors in the fall or winter, for the building of 6,000 housing units.

Once completed the houses could be put up for sale. I believe this is an excellent measure, since it meets two needs: first, in Canada, there is a strong demand for additional housing units, and I am told that not as many people as was expected or desired requested loans guaranteed or granted directly by the Central Housing and Mortgage Corporation; hence the offer to finance the construction of 6,000 housing units by contractors. In the second place, this measure enables contractors taking advantage thereof to keep most of their qualified personnel during the winter season and thus fight unemployment.

Proceedings on Adjournment Motion

In that context, Mr. Speaker, I think that other loans should be added to the 6,000 already announced to meet the needs of future owners and persons who otherwise would be seasonally unemployed, at times during an extended period, but who could consequently find a satisfactory position right this winter.

Mr. Yves Forest (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I am pleased to note that the question of the hon. member turned into congratulations to the government.

We are therefore pleased to hear that he obtained a satisfactory answer to his request, that the problems of his constituency have been solved and that the workers can contine to work.

As concerns housing, Mr. Speaker, hon. members will recall that forecasts were for 175,000 housing starts during 1968. This number was subsequently raised to about 180,000. Now that the current year is about to end, it appears that this figure of 180,000 will even be surpassed, which will be an all-time record for Canada.

Housing starts during the last part of the year remained at a very high level. For instance, on October 31 of this year, 120,000 houses were being built. This figure exceeds by about 15,000 that for the same period last year. Thus, it seems obvious that we start the winter with a large number of buildings under way, and as housing starts have remained at a very satisfactory level, we can be assured that this very high level of construction will continue well into next year.

[*English*]

COMMUNICATIONS—REQUEST FOR STATEMENT ON PROPOSED CORPORATION STRUCTURE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, the question of communications satellites is one of tremendous importance. I gather this from the minister's speeches, from *Maclean's* magazine, from the task forces, from the white papers, and even from a brand new ministry, the department of communications. Yet, there is a dearth of information. The minister designate seems to be somewhat less than communicative when dealing with matters relating to his own department, although he is not so reticent when discussing NATO, NORAD or matters of that kind. Some of us have sought a statement on this in the house. My question of October 18 which appears on the order paper is very simple, but it has not yet been answered.

[Mr. Laprise.]

This is a major subject. The government has declared itself to be, or to have been, seized of the question as a matter of urgency for a long time. On July 14, 1967 the then prime minister indicated that for the past year the government had been examining the Canadian space program in particular detail. Several studies on various aspects of satellite communications have been conducted under the auspices of the Department of Transport. The Chapman report was published in March under the auspices of the science secretariat. Then came the white paper a year later. There have been other announcements and indications in between. The Southam press of April 2, 1968 revealed the following:

> Industry minister Drury said Monday he hoped a corporation to operate a Canadian owned domestic satellite communications system will be created by autumn.

Autumn has come and gone. The snows of winter are upon us.

Dr. MacIntosh was appointed in April 1968. We have had studies, reports, rumours, magazine articles and speeches by the minister, but little in the house. We ask, why. Of course it is an important question. It is one that transcends politics; but the public should know by now the general trend and tenor of the government's policy, and the program to which the government is committing the people of this country. It is a serious question. This involves international and intra-dominion relations, and we wonder how much consultation with provinces is going to be pursued in this very important field of educational television. In the last few weeks I have noticed comments by the premier of the province of Quebec about this costly and crucial matter. These comments are very significant and very important. He has suggested that no opportunity should be missed to maximize Canadian effort in this regard.

• (10:20 p.m.)

Let us look at this, and let the people's representatives know and have a chance to discuss this vital area, which could so fundamentally affect the quality of life of the people of Canada. Have there been discussions with the provinces? Have there been discussions, with those who lead in this field, about the effect of satellites and their capacity for improvement of mankind?

Quebec is not the only province interested in educational television, but it has made moves which its leaders have publicized and which the federal government must be aware

of. How does this awareness reveal itself in federal government planning? I should like to ask the minister, who is not always lacking in communication to drop and cast aside this cloak of secrecy and concealment, and let the upcoming department of communications communicate with the people of Canada through the people's tribunes, their representatives here in the House of Commons. Let us know what Dr. MacIntosh thinks. I have never met him because I do not move in these exalted financial circles, as the minister does. I understand the minister graduated from McGill and that he and Dr. MacIntosh are on the same basis regarding their respect for that institution. Let us know what this distinguished businessman thinks of this whole project. Let us also know if what *Maclean's* magazine projects in this regard is close to the truth. Tell us what the score is and what the government is recommending.

All Canadian people are involved in this costly and important matter. What could Dr. MacIntosh recommend that should be concealed? I cannot envisage any way in which the Canadian satellite program could be bootlegged into an international program. What are our rights and what are our recommendations, and do these allow enough space for people to co-operate? Let us know about this very important and vital situation.

I do not know whether the minister is interested in power, but I am sure he will find that in this house of parliament knowledge is power. Surely he is aware as the minister designate of communications that he should communicate.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the hon. member has made a very eloquent plea. I have the very highest regard for Dr. MacIntosh. He and I were student graduates from McGill and we have been long-time friends. He was appointed before I became a member of the federal government. Dr. MacIntosh was asked to draft a model and organizational structure of a financial and corporate satellite. As everyone in this house realizes, we have asked for a report from two companies, Northern Electric and R.C.A., as to their views regarding an appropriate kind of satellite, economically speaking, and educationally speaking, which we could send aloft. We have just received these reports. They contain many hundreds of pages of highly technical material. We must digest these reports. I would suggest to the hon. member that Dr. MacIntosh's report will become relevant when the government itself has decided, in light of other technical reports, what technical progress will meet the needs of the people across this land.

This decision will have a great unifying effect in Canadian history. When Canadian needs are determined and the required facilities are evaluated we will know whether we must spend $60 million or $160 million, or something in between. This will obviously have an effect on the kind of financial structure which will evolve, and therefore will have an effect on whether we can accept Dr. MacIntosh's report in its entirety.

This could be modified; but at the present time, until we have studied our needs, the facilities, the capability that is available in Canada, until we have decided on the kind of satellite that we want to send up, whether it be a Volkswagen or Cadillac type, I can make no useful recommendation to my colleagues in the cabinet. Therefore I doubt that it would be useful to table the report until I can make relevant comments on it.

Motion agreed to and the house adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, December 4, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. DINSDALE—STATEMENT BY MINISTER ON ASSISTANCE TO HOCKEY TEAM

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise on a question of privilege pertaining to a question I asked yesterday respecting financial assistance to Canada's national hockey team. At that time the question was ruled out of order by Your Honour on the ground that it lacked urgency and I abided by your ruling, intending to deal with the matter at a later date, taking advantage of opportunities which are available to hon. members of the house.

Unfortunately in the interim the Minister of National Health and Welfare made a statement on this subject outside the House of Commons. I feel it to be a violation of the privileges of members of this house when ministers resort to this method of conveying information rather than using the framework provided by the House of Commons. I feel it is my duty to make a protest, because this tendency on the part of the government to communicate by instant electronic folklore instead of through parliament is occurring much too frequently.

Some hon. Members: Hear, hear.

MR. BROADBENT—STATEMENT BY MINISTER ON INCENTIVES TO INDUSTRY

Mr. J. Edward Broadbent (Oshawa-Whitby): I, too, rise on a question of privilege, with reference to a statement made by the Minister of Industry. In his reply to my speech on the estimates of the Department of Industry the hon. gentleman asserted, as reported on page 3394 of *Hansard* on Monday last:

> ...a Canadian industrialist who availed himself of our programs might get as much for a civilian project as for a defence project.

Later in the debate he further asserted, as reported in *Hansard* at page 3399:

> I have indicated that...a combination of IRDIA and PAIT, the two programs I talked about this afternoon, would give him quite a lot of governmental support and as much as he would get on a defence project.

With reference to these quotations, Mr. Speaker, the minister failed to point out that a defence industry doing research and development may also receive funds from the IRDIA program. Thus the appropriate comparison would be to balance the benefits of PAIT and IRDIA against those of IRDIA and DDSP. When this is done, Mr. Speaker, I believe the result is as I stated, that the government is currently providing incentives to our military industry for research and development which exceed those provided to civilian industry.

The minister, I suggest, should retract his statements.

COMMITTEES OF THE HOUSE

Third report of standing committee on external affairs and national defence—Mr. Wahn.

[*Translation*]

First report of standing committee on miscellaneous estimates—Mr. Fernand-E. Leblanc (Laurier).

[*English*]

Third report of standing committee on fisheries and forestry—Mr. Crossman.

[*Note: Text of above mentioned reports will be found in today's Votes and Proceedings.*]

Business of the House

[*Translation*]

CANADIAN CONSTITUTION

TABLING OF TRANSCRIPT OF PROCEEDINGS OF FIRST CONFERENCE

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, with the consent of the house, a copy in English and in French of the report of the proceedings of the first meeting of the constitutional conference held in Ottawa last February.

[*English*]

Mr. Speaker: Has the Prime Minister leave to table this document?

Some hon. Members: Agreed.

• (2:40 p.m.)

BUSINESS OF THE HOUSE

CHANGE IN ORDER RESPECTING REMAINING SUPPLY DAYS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been some discussions in the house with respect to the use of the remaining time provided by the order made on September 20, 1968 in regard to the consideration of supply. I believe there would be a general disposition not to use the two days provided by that order for a supply motion, but instead to add the two days to the 17 provided for estimates business, so we would therefore have 19 days altogether for estimates.

If the house is in agreement, Mr. Speaker, perhaps the following might be made an order:

That the order of the house on September 20, 1968 with respect to the business of supply for the fiscal year 1968-69 be amended by deleting the provision for a supply motion of two sitting days under subparagraph (b) (ii) and that subparagraph (b) (iii) of the said order be amended by increasing the over-all limitation from 17 to 19 sitting days, and that subparagraph (b) (iv) of the said order be amended by providing that every question necessary to dispose of all proceedings necessary for the purpose of the order be put on the 19th allotted day.

If the house is in agreement, Mr. Speaker, I would move that motion, which is seconded by the Minister of Manpower and Immigration (Mr. MacEachen).

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[Mr. Broadbent.]

CRIMINAL CODE

PROPOSED AMENDMENT TO ABOLISH CORPORAL PUNISHMENT

Mr. John Gilbert (Broadview) moved for leave to introduce Bill No. C-139, to amend the Criminal Code (abolition of corporal punishment).

Some hon. Members: Explain.

Mr. Gilbert: Mr. Speaker, the purpose of this bill is to abolish a cruel relic from a barbaric age, namely corporal punishment, and to put our penal system on the basis of reform and rehabilitation rather than revenge.

I would also ask the Prime Minister and the Minister of Justice to include this amendment in the omnibus bill on criminal law which will be before the house in the near future.

Motion agreed to and bill read the first time.

CANADA EVIDENCE ACT

Hon. John N. Turner (Minister of Justice) moved the first reading of Bill No. S-3 (from the Senate), to amend the Canada Evidence Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BANK OF CANADA NUMISMATIC COLLECTION

Question No. 63—**Mr. Howard (Skeena):**

1. Does the Bank of Canada have a numismatic collection and, if so, how much money was expended in each of the last ten fiscal years to obtain items for that collection?

2. Has the collection been put on public display and, if so, upon what dates and at what locations?

3. For each item for which more than $50 was expended, what was (a) the purchase price, and (b) the year identity, by country or group, grade and quality?

Hon. E. J. Benson (Minister of Finance): I am informed by the Bank of Canada as follows: 1. Yes. The amount expended on the collection is not a matter of public record.

2. Part of the collection has been on public display at the following locations:

Date	Place	Organization
May 1963	Sherbrooke, Que.	Province of Quebec Numismatic Association Annual Convention
Aug. 1963	Vancouver, B.C.	Canadian Numismatic Association Annual Convention
Sept. 1963	Ottawa, Ont.	R. A. Coin Club, Annual Coin Show
Sept. 1963	Toronto, Ont.	Greater Toronto Coin & Stamp Exhibition
Apr. 1964	Ottawa, Ont.	Ontario Numismatic Association Annual Convention
Aug. 1964	Halifax, N.S.	Canadian Numismatic Association Annual Convention
Apr. 1965	London, Ont.	Ontario Numismatic Association Annual Convention
Aug. 1965	Montreal, Que.	Canadian Numismatic Association Annual Convention
Jan. 1966	Toronto, Ont.	Canadian Paper Money Society Annual Convention
Mar. 1966	St. Hyacinthe, Que.	Association des Numismates de St. Hyacinthe Annual Exposition
Oct. 1966	Victoria, B.C.	Victoria Numismatic Society Annual Coin Show
Mar. 1967	St. Hyacinthe, Que.	Association des Numismates de St. Hyacinthe Annual Exposition
May 1967	Kitchener, Ont.	Ontario Numismatic Association Annual Convention
May 1967	Mont Gabriel, Que.	Conference of Governors of Central Banks of America
Aug. 1967	Ottawa, Ont.	Canadian Numismatic Association Annual Convention
Mar. 1968	St. Hyacinthe, Que.	Association des Numismates de St. Hyacinthe Annual Exposition
May 1968	Halifax, N.S.	Atlantic Provinces Numismatic Association Annual Convention
July 1968	Calgary, Alta.	Canadian Numismatic Association Annual Convention
Sept. 1968	London, Ont.	London Numismatic Society Annual Coin Show

3. Not a matter of public record.

NATIONAL GRAINS COUNCIL

Question No. 533—**Mr. Gleave:**

1. Regarding the National Grains Council, specifically, what were the terms of reference proposed to the meeting of the council in Winnipeg on October 16, 1968?

2. What areas of the grain industry is it proposed that this Council shall examine and report (a) in Western Canada (b) in Eastern Canada?

3. What areas of grain marketing is it proposed that the Council shall examine and make recommendations or take action on (a) export (b) domestic?

4. Will the said Council give direction and make recommendations on research and, if so, in what areas?

5. What are the proposed methods of financing the operation of the Council, to whom will it be responsible and to which branch of government will it report and how often?

Questions

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Agriculture and the Department of Trade and Commerce as follows: 1. A meeting of interested parties was held in Winnipeg to discuss the establishment of a national grains council. No terms of reference were actually proposed to the meeting, however, a paper representing a consolidation of the views expressed by participants at the morning session was distributed during the afternoon session.

2. It is contemplated that the national grains council, when established, will choose the subjects it will examine and on which it will make recommendations.

3. Answered by 2.

4. Answered by 2.

5. Decisions on these matters have not yet been reached.

*C.M.H.C. LOAN TO QUEBEC HOUSING CORPORATION

Question No. 585—**Mr. McCleave:**

1. Has Central Mortgage and Housing Corporation agreed to make a loan to the Quebec Housing Corporation of the approximate order of $140,000,000?

2. If so, on what authority, and on what conditions, if any?

3. Are similar terms available to other provincial government housing authorities or agencies?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the answer to parts 1 and 2 is as follows: By order in council dated April 25, 1968, passed under the National Housing Act approval was given to three agreements entered into by Central Mortgage and Housing Corporation and the Quebec Housing Corporation under which C.M.H.C. agreed to make loans not exceeding $139,100,200 to Q.H.C. to assist in the financing of housing projects. The first agreement relates to housing projects undertaken by non-profit corporations (section 16A-NHA); the second to loans for the financing of public housing projects (section 35D-NHA); the third to loans for student housing projects (section 36B-NHA).

The agreements cover three programs to be undertaken in the fiscal year ending March 31, 1969 and require that each individual project be submitted to C.M.H.C. for determination of eligibility and loan amount.

[Mr. Gleave.]

The answer to the third part of the question is yes, in 1968. The policy in respect to future years will be announced following review of the report of the task force on housing and urban development.

EXPENDITURES OUTSIDE CANADA PROMOTING CANADIAN PORTS

Question No. 600—**Mr. Forrestall:**

1. Does the National Harbours Board spend funds for the purpose of promoting use of Canadian ports outside of Canada?

2. If so, how much has been spent in each of the last five years and in what way specifically was the money spent?

3. Are joint promotional programs entered into with individual port commissions or authorities?

4. If so, at what cost and with which ones during each of the past five years?

Hon. Paul Hellyer (Minister of Transport): The National Harbours Board advises as follows: 1. A limited amount is spent on port promotion by advertising in foreign periodicals.

2. Cost of advertising in foreign periodicals for each of the past five years was as follows: 1963, $790; 1964, $790; 1965, $1,681; 1966, $1,987; 1967, $3,607.

3. No.

4. See answer to part 3.

FEDERAL SUBSIDIES

Question No. 606—**Mr. Harding:**

1. What was the total amount paid by the Government of Canada in subsidies for the fiscal years 1965-66, 1966-67, 1967-68, 1968-69 (estimated)?

2. What was the amount of the subsidy paid under each of the eligible categories?

Hon. E. J. Benson (Minister of Finance): Of the many possible definitions of the term "subsidy", the national income accounts concept covers the most widely accepted definition of the term, and has been used in preparing the answer.

1. Fiscal year	Total subsidies paid by government of Canada ($ millions)
1965-66	270
1966-67	381
1967-68	395
1968-69 (estimate)	415

2. Government of Canada subsidies (national accounts basis—$ millions)

	1965-66	1966-67	1967-68
Quality premium on high grade hog and lamb carcasses	8	9	10
Freight assistance on western feed grains incl. assistance in respect of grain storage cost	22	20	21
Payments under the Emergency Gold Mining Assistance Act	15	15	15
Payments in connection with the movement of coal	28	34	35
To advance the technological capability of Canadian manufacturing industry	–	4	6
Payments of carrying costs of temporary wheat reserves	37	30	29
Subventions in respect to eastern coal	2	4	2
Payments to the railway companies under the Maritime Freight Rates Act	14	15	14
Payments to railways under the provisions of the National Transportation Act [1]	65	138	127
Steamship subventions for coastal services	9	9	12
Trading loss: agriculture product account and agriculture stabilization account [2]	38	88	113
Other subsidies	32	15	11
Total	270	381	395

[1] Prior to 1967-68, interim payments to railways.

[2] Subsidy payments under the agriculture stablilization board account and the agriculture product board account.

Note: In the national accounts, subsidy payments in the supplementary period are shifted entirely to the next fiscal year. The amounts paid under each category may therefor differ from those shown in the public accounts. Detail for 1968-69 is not yet available.

AIRPORT TRAFFIC, VICTORIA, B.C.

Question No. 609—**Mr. Anderson:**

1. How many commercial flights are there per week to and from Victoria International Airport?

2. What is the average number of passengers handled per week?

Hon. Paul Hellyer (Minister of Transport): 1. August, 1968, an average of 194 flights per week.

2. August, 1968, an average of 5,432 passengers per week.

PAYMENTS TO CATHOLIC PRIESTS SERVING INDIANS

Question No. 612—**Mr. Godin:**

1. When was Father Gagnon, Parish Priest of the Huron Village in Quebec, notified that the government would cease to pay him a salary?

2. Have other Roman Catholic Priests ministering to the Indians received similar notices and, if so, what are their names and addresses?

3. Do missionaries of other religious denominations receive an annual remuneration from the government and, if so, what are their names and addresses?

Hon. Jean Chretien (Minister of Indian Affairs and Northern Development): 1. By letter dated September 9, 1968, the department notified Father Gagnon that his salary paid from a fund established for the benefit of the Indians of the province of Quebec, be discontinued effective December 31, 1968.

2. Yes, Reverend J. Rémi Dolan of Odanak, Yamaska, P.Q.

3. No.

Questions

MEETINGS ON INDIAN AFFAIRS

Question No. 618—**Mr. Stanfield:**

1. How many meetings have been held since July 1, 1968, by the Minister without Portfolio (responsible for Indian Affairs in conjunction with the Minister of Indian Affairs and Northern Development) with Indian spokesmen and leaders in Canada and what are the dates of those meetings?

2. How many meetings have been held since July 1, 1968, by the Minister of Indian Affairs and Northern Development, with Indian spokesmen and leaders in Canada and what are the dates of those meetings?

3. How many Indian reservations have been visited by the Minister without Portfolio, since July 1, 1968 and what are the dates of those visits?

4. How many Indian reservations have been visited by the Minister of Indian Affairs and Northern Development since July 1, 1968 and what are the dates of those visits?

5. How many briefs or submissions concerning the Indian Act have been submitted to the Minister without Portfolio by Indian chiefs or councillors?

6. How many briefs or submissions concerning the Indian Act, have been submitted to the Minister of Indian Affairs and Northern Development by Indian chiefs or councillors?

7. At meetings or hearings concerning the Indian Act, held by the Minister without Portfolio or the Minister of Indian Affairs and Northern Development, and Indan spokesmen and leaders, who is entitled to make representations on behalf of the Indian Band or Council?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Eleven: July 25 and 26, 1968, Yellowknife, N.W.T., consultation meeting; August 12 and 13, 1968, Toronto, Ont., consultating meeting; August 15, 1968, Toronto, Ont.; August 16 and 18, 1968, Fort William, Ont., consultation meeting; August 21 and 22, 1968, Sudbury, Ont., consultation meeting; August 23, 1968, Edmonton, Alta.; September 17-18, 1968, Regina, Sask., consultation meeting; September 28, 1968, Toronto, Ont.; October 3, 1968, Quebec City, Que., consultation meeting; October 26, 1968, Toronto, Ont.; October 31—November 1, 1968, Nanaimo, B.C., consultation meeting.

2. Eleven: July 29, 1968, Moncton, N.B.; August 22, 1968, Sudbury, Ont.; September 20, 1968, London, Ont.; September 30, 1968, Quebec City, Que.; October 9, 1968, North Battleford, Sask.; October 21, 1968, Whitehorse, Y.T.; November 4, 1968, Winnipeg, Man.; November 14, 1968, Edmonton, Alta.; November 14 and 15, 1968, Kelowna, B.C.; November 16, 1968, Vancouver, B.C.; November 26, 1968, Victoria, B.C.

[Mr. Chrétien.]

3. Five: July 25, 1968, Yellowknife I.S., Yellowknife, N.W.T. and Yellowknife Indian village settlement, Yellowknife, N.W.T.; September 7, 1968, Mud Lake—Curve Lake, Ontario; September 17, 1968, Cote—Kamsack, Saskatchewan and Keeseekoose, Kamsack, Saskatchewan.

4. Seventeen: August 5, 1968, Inuvik, N.W.T.; August 6, 1968, Aklavik, N.W.T.; August 6, 1968, Fort MacPherson, N.W.T.; August 7, 1968, Fort Franklin, N.W.T.; August 7, 1968, Fort Rae, N.W.T.; August 7 and 8, 1968, Yellowknife, N.W.T.; August 8, 1968, Fort Resolution, N.W.T.; August 8 and 9, 1968, Fort Smith, N.W.T.; August 9-11, 1968, Whitehorse, Y.T.; September 8, 1968, Adams Lake Reserve, B.C.; September 8, 1968, Neskainlith Reserve, B.C.; September 8, 1968, Kamloops Reserve, B.C.; October 11, 1968, Inuvik, N.W.T.; October 12, 1968, Yellowknife, N.W.T.; October 21, 1968, Whitehorse, Y.T.; November 15, 1968, West Bank Reserve, Kelowna, B.C.; November 16, 1968, Squamish Reserve, Vancouver, B.C.

5. The number of written briefs submitted to the Minister without Portfolio are as follows: Yellowknife, Northwest Territories, 1; Fort William, Ontario, 10; Quebec city, Quebec, 1; Nanaimo, British Columbia, 1; Total, 13.

6. The number of written briefs submitted to the Minister of Indian Affairs and Northern Development are as follows: Moncton, New Brunswick, 2; Sudbury, Ontario, 4; Quebec city, Quebec, 1; Prince George, British Columbia, 1; Whitehorse, Yukon Territory, 2; Ottawa, Ontario (directly), 7; Total, 17.

7. Any person designated by the band council as its official spokesman.

SALE OF PLUTONIUM TO FRANCE

Question No. 628—**Mr. Orlikow:**

1. As Canada is a signatory to the International Atomic Energy Agency Convention on the safeguarding of fissionable materials, was the sale of plutonium to France carried out under the terms of this Convention?

2. What effective means are envisaged for inspection by Canada of French facilities to ensure that none of this fissionable material is shifted into weapons utilization?

3. How many 20 Kiloton strength atomic bombs can be produced from the amount of plutonium being sold to France by Canada?

4. What steps have been taken by Canada to check on the fissionable material produced by the reactor sold by Canada to India to ensure that it is not being used to produce nuclear weapons?

Hon. Mitchell Sharp (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned: 1. Canada is a member of the International Atomic Energy Agency (IAEA) and therefore subscribes to the principles of the statute of the organization. The IAEA has not established a convention on the safeguarding of fissionable materials. However, the sale of plutonium to France has been made in accordance with the Canadian government's long standing policy on "peaceful uses" of atomic energy which is wholly consistant with the principles underlying the IAEA.

2. The sale of plutonium to France from Canada is to be carried out under the provisions of the agreement, dated October 6, 1959, between Canada and the European Atomic Energy Community (EURATOM) for cooperation in the peaceful uses of atomic energy, which provides for the application of the system for safeguards and control established by the Community in accordance with the treaty establishing EURATOM, and for consultation and the exchange of visits between the contracting parties to give assurance that the Community's safeguards and control system is satisfactory and effective.

3. The report of the Secretary General of the United Nations, dated October 10, 1967, on the effects of the possible use of nuclear weapons and on the security and economic implications for states of the acquisition and further development of these weapons, estimates that some eight kilograms of plutonium containing 95 per cent of the fissionable isotope 239 is required for the construction of one nuclear warhead with a yield around 20 kilotons. The exact quantity of plutonium involved in this sale and the percentage of the 239 isotope contained therein will not be known until after the irradiated fuel from Canadian reactors has been processed at the Eurochemic nuclear fuel reprocessing plant at Mol, Belgium. It can be estimated, however, that this amount of plutonium might produce up to 20 bombs with a yield of 20 kilotons each. However, the French government has agreed that the plutonium will be used for peaceful purposes only, and it is subject to suitable safeguards arrangements under the Canada-EURATOM agreement.

4. The agreement between Canada and India providing for Canadian assistance in the construction of the Canada-India reactor was signed on April 28, 1956 before the establishment of the International Atomic Energy Agency. Under the agreement the government of India undertook that the reactor and any products resulting from its use will be employed for peaceful purposes only.

The agreements between Canada and India dated December 16, 1963, December 16, 1966 providing for Canadian assistance in the construction of the two reactors of the Rajasthan atomic power project (RAPP), stipulates that bilateral safeguards will be applied on the Rajasthan atomic power station and on the Douglas Point nuclear generating station in Canada, of which RAPP is a copy. The two governments have further agreed that the International Atomic Energy Agency shall be asked to administer the safeguards responsibilities of the agreement between the two governments, when either a reactor in each of the two stations has operated at full power for one year or 15 months after a reactor in each of the two stations has first achieved criticality, whichever is earlier.

TRANS-CANADA HIGHWAY TO STRAIT OF CANSO

Question No. 653—**Mr. Forrestall:**

1. When completed, what will be the length of the Trans-Canada Highway between the Quebec-New Brunswick border and the Strait of Canso?

2. Of this total, how many miles of highway are of Trans-Canada Highway standards?

3. Of this total, how many miles represent new construction, and how many miles represent improvement of existing roads?

4. In the case of new construction, what has been the average cost per mile?

5. In the case of improvement of existing roads, what has been the average cost per mile?

6. When is it expected that the entire section referred to will be of Trans-Canada Highway standards?

Hon. Arthur Laing (Minister of Public Works): 1. 533.5 miles.

2. 517.5 miles.

3. New construction, 293.9 miles; Improvement of existing roads, 223.6 miles.

4. $355,220 per mile.

5. $184,100 per mile.

6. October 1969.

*RECRUITMENT ABROAD FOR PUBLIC SERVICE

Question No. 676—**Mr. Code:**

1. Is it the policy of the Government of Canada to recruit candidates in other countries for positions in the federal public service for which no qualified Canadians are available?

Questions

2. So far in 1968, how many positions have been filled in this way, what are those positions and, how many such employees were recruited from each country?

3. Are these positions first advertised in Canada in the usual way by the Public Service Commission and was this the case in each of the instances referred to in part 2 above?

4. Is it the responsibility of Mr. Jules Nadon, First Personnel Attaché at the Canadian Embassy in France, to "make more effective the recruitment of French-speaking foreigners for professional posts in the federal service"?

5. Are "talent hunts" being launched in France by the Dominion Bureau of Statistics for sociologists, statisticians and economists and, if so (a) were the positions involved advertised in Canada (b) has it been impossible to obtain qualified French-speaking Canadians to fill them?

6. Is the Canadian Transport Commission seeking computer experts and other personnel in France and, if so (a) were the positions involved advertised in Canada (b) has it been impossible to obtain qualified French-speaking Canadians to fill them?

7. (a) What other departments of government are engaging in similar recruiting efforts, in what countries, and what positions are involved (b) have the positions in question been advertised in Canada in the usual way by the Public Service Commission and has it been impossible to find Canadians qualified to fill them?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. Yes.

2. See Appendix.

APPENDIX

OCCUPATION GROUPS

Country	Computer Systems	Economics Sociology Statistics	Organization and Methods	Personnel Management	Scientific Research	Totals
West Germany					1	1
Australia	1				1	2
Austria					1	1
China (Formosa)		1				1
Egypt		1				1
United States		14			13	27
France		1				1
Ghana		1				1
Holland					1	1
India		1				1
Japan					1	1
Malta		1				1
New Zealand		1				1
Philippines		1				1
United Kingdom	19	11	4	6	14	54
Switzerland		1				1
Czechoslovakia					1	1
Zambia					1	1
	20	34	4	6	34	98

3. Yes. There is a personnel attaché at the Canadian embassy in Paris and another at the office of our high commissionner in the United Kingdom. Those two agents assume the responsibilities delegated to them by the Treasury Board, the Public Service Commission and the diplomatic mission section.

As personnel attaché at the Canadian embassy at Paris, Mr. Nadon is responsible, among other things, for advising the Public Service Commission on the steps to be taken to increase recruiting in Europe. This recruiting is limited to the occupation groups where there is a shortage of candidates in Canada. It is hoped that the work of Mr. Nadon will enable us to increase our recruiting in France and in other francophone countries in Europe.

5. Yes, under the terms of an agreement with the Public Service Commission on sharing the work. (a) Yes; (b) Yes.

6. The Public Service Commission did some recruiting in Europe recently for the Canadian Transport Commission. (a) Yes; (b) Yes.

7. (a) None. However, the Public Service Commission is recruiting abroad for those occupation groups where there is a shortage of candidates. (b) Yes.

[*English*]

HISTORIC SITES, ALGOMA CONSTITUENCY

Question No. 692—**Mr. Foster:**

1. (a) How many national historic parks and sites are located in Algoma constituency (b) what are the locations (c) how much money was expended in establishing these sites?

2. (a) How many national historic parks and sites are planned to be established in Algoma constituency during 1969 (b) what are the locations (c) how much money is appropriated for each site?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) Two; (b) There is a standard plaque at the site of Fort St. Joseph on the east end of St. Joseph's island. There is also a secondary identifying plaque at the site of the Fort St. Joseph cemetery; (c) The standard plaque cost $177.08. The secondary plaque cost approximately $50.

2. (a) No national historic parks or sites are planned for 1969 but it has been our intention to complete planning for Fort St. Joseph by 1972 with a view to beginning major development during the fiscal year 1973-74; (b) See 2 (a); (c) Until planning has been completed it is not possible to provide any figures.

MICROWAVE INSTALLATION MODIFICATIONS, MANITOBA

Question No. 694—**Mr. Schreyer:**

Are modifications being made at present or have modifications recently been made on Canadian Pacific Telecommunications Microwave Installations at or near Stony Mountain and Gunton, Manitoba, if so (a) are these modifications or proposed modifications being made with the approval of the Department of Transport or any other federal government department or agency (b) when was this permission applied for and when was it granted (c) what is the nature and purpose of these modifications and on what equipment are they being performed?

Hon. Eric W. Kierans (Postmaster General): In so far as telecommunications is concerned: 1. Modifications have recently been made to the Canadian Pacific Telecommunications microwave installations at Stony Mountain and Gunton, Manitoba. (a) Approval is not required; (b) Not applicable; (c) The tube type converter has been changed to solid state type of converter for the purpose of modernizing this particular piece of equipment.

PAYMENTS TO RURAL MAIL COURIERS

Question No. 700—**Mr. McCutcheon:**

When can rural mail couriers expect to receive the remuneration promised by the Postmaster General on October 7 covering the period of the postal strike?

Hon. Eric W. Kierans (Postmaster General): We hope to have all cases reviewed and payments in the hands of rural mail contractors by mid-December.

HOUSE CONSTRUCTION, AMOS INDIAN RESERVATION

Question No. 713—**Mr. Laprise:**

1. Has the Department of Indian Affairs and Northern Development had any houses built on the Amos reservation?

2. If so (a) how many houses were built (b) what was the value of the contract (c) what contractor was involved?

3. Are there plans to build additional new homes and to undertake certain works on this reservation in the coming year?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. (a) 1964, 5; 1965, 10; 1967, 8; total, 23 units. (b) 1964, $23,418; 1965, $52,200; 1967, $69,623. (c) 1964, Associate d'entreprise General, Amos, Quebec; 1965, John Paul Labrecque, Amos, Quebec; 1967, Adélard St. Pierre, La Corne, Abitibi, Quebec.

3. No houses will be built in 1968. It is proposed to build at least 5 houses in 1969. It is proposed to continue installation of the water and sewerage system at a total cost of approximately $60,000. About half of the work ($30,000) has already been completed.

It is proposed to complete the roadway in the new housing site at a cost of approximately $10,000.

ADVERTISING PROMOTION, CANADA SAVINGS BONDS

Question No. 715—**Mr. Peddle:**

1. What is the total cost of all forms of advertising promoting the sale of 1968 Canada Savings Bonds?

2. What are the names of all advertising agencies employed and media used and amounts paid or to be paid to each?

Hon. E. J. Benson (Minister of Finance): 1. $1,617,000.

Questions

2. MacLaren Advertising Co. Ltd. and B.C.P. Advertising Co. Ltd.

Media	Amount
Press	$ 794,000
Radio	333,000
T.V.	321,000
Display and outdoor	71,000
Direct mail	12,000
Misc. literature	56,000
Press liaison	30,000
Total	$1,617,000

The above figures represent estimates of the total cost.

LEGAL FEES IN CHARGES AGAINST SEAFARERS UNION

Question No. 725—**Mr. Howard (Skeena):**

What is the name and address of each person who received payments, with the amount of such payment indicated, shown as legal fees of $90,796.08 with respect to certain charges laid against certain members of the Seafarer's International Union as referred to on pages 2472-3 of *Hansard*?

Hon. G. J. McIlraith (Solicitor General):

Name and Address	Fees $	Disbursements $	Total $
Mr. J. J. Robinette, c/o McCarthy and McCarthy, Barristers and Solicitors, P.O. Box 48, Toronto Dominion Centre, Toronto 1, Ontario.	8,005.00	332.95	8,337.95
Mr. J. A. MacLennan, c/o Sigler, MacLennan, Clarke and Company, Barristers and Solicitors, 505 Burrard Street, Vancouver, B.C.	75.00	5.80	80.80
Mr. François Mercier, c/o Stikeman, Elliott, Tamaki and Robb, Barristers and Solicitors, 1155 Dorchester Blvd. West, Montreal 2, P.Q.	9,680.00	907.02	10,587.02
Mr. Jean Martineau, c/o Martineau, Walker, Allison, Beaulieu, Tetley and Phelan, Barristers and Solicitors, Suite 3400, Stock Exchange Tower, Montreal 3, P.Q.	65,061.00	6,729.31	71,790.31
Totals	82,821.00	7,975.08	90,796.08

APPLICATIONS FOR URBAN RENEWAL

Question No. 746—**Mr. McCleave:**

1. Have any applications for urban renewals been received by Central Mortgage and Housing Corporation, over and above the 114 million dollars mentioned by the Minister without Portfolio in the House on November 7, 1968?

2. If so, from what communities?

Hon. Paul Hellyer (Minister of Transport):

1. Yes.

[Mr. Benson.]

2. Applications for the implementation of urban renewal schemes under section 23B of the National Housing Act have been received from the following communities: Hamilton, Ontario; Kitchener, Ontario; London, Ontario; Windsor, Ontario; Medicine Hat, Alberta; Port Coquitlam, B.C.; Ladner, B.C.; Cloverdale, B.C.

In addition, there have been discussions with other municipalities concerning the implementation of urban renewal schemes.

ARDA-FRED LAND PURCHASES, MANITOBA INTERLAKE REGION

Question No. 753—**Mr. Schreyer:**

1. How much land has been purchased in the area of the east Interlake under the auspices of the ARDA-FRED program?

2. From how many property owners was such land purchased and what was the total cost?

3. What are the locations and at what price were such lands purchased?

4. What was the value in land and in buildings in the case of the largest purchase made under the ARDA-FRED program in the east Interlake and at what location was such purchase made?

5. What was the acreage of land involved and what was the number and kind of buildings?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Approximately 2,682 acres.

2. Forty-one owners, at a total cost of $355,500.

3, 4 and 5. The principal locations were Libau-Poplar park area, Riverton-Washaw Bay area and Winnipeg Beach. These purchases were made by the province within the general terms of the FRED development plan, and the province does not disclose details of the individual purchases.

CONSTRUCTION OF AIR STRIP, DEERHOLME, B.C.

Question No. 757—**Mr. Anderson:**

1. Has the Department of Transport received a request from the Cowichan Airport Society to assist in the building of a new air strip at Vaux Road, Deerholme, B.C.?

2. If so, is it the intention of the Department to provide financial assistance?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. No. The department has been requested by the local authorities to provide technical assistance in locating a suitable site for an airport. A preliminary investigation indicates the possibility of a suitable site approximately 3 miles west of Duncan, B.C.

STUDY OF AIR FREIGHT SECURITY

Question No. 772—**Mr. Muir (Cape Breton-The Sydneys):**

1. Was a survey conducted of the larger air terminals regarding security functions in the Air Freight Departments?

2. On what date did such a study commence?

3. Who conducted such a survey?

4. What was the outcome of the survey and what action does the government plan

Hon. Paul Hellyer (Minister of Transport): 1. No, not by the Department of Transport. Security functions in the air freight departments of the larger air terminals are the responsibility of the air lines concerned.

2, 3 and 4. N/A.

CLOSING OF POST OFFICES, SAINT JEAN CONSTITUENCY

Question No. 796—**Mr. Smith (Saint-Jean):**

Are any Post Offices scheduled to be closed in the Constituency of Saint-Jean, P.Q., and, if so, when and where?

Hon. Eric W. Kierans (Postmaster General): Not yet.

Studies will be conducted with a view to closing the Barrington, Cantic, St-Bernard-de-Lacole and Henrysburgh post offices under the closing program criteria but no steps have actually been taken on any particular case as yet.

GREAT RING OF CANADA

Question No. 797—**Mr. Mazankowski:**

1. What has been the disposition of the Great Ring of Canada, presented to the Canadian people by the American people commemorating Canada's Centennial?

2. Is it the intention of the government to place this magnificent gift on view to the Canadian public at some suitable spot on Parliament Hill?

3. If not, what are the reasons for this decision?

Hon. Gérard Pelletier (Secretary of State): 1. The Great Ring of Canada has been on exhibition for the past 9 months in the National Library and Public Archives Building.

2. Not at this time.

3. Consideration is being given to temporary exhibition in several centres across the country.

LEVEL CROSSING, NORANDA, QUE.

Question No. 799—**Mr. Caouette:**

Has the Minister of Public Works received a request from the City of Noranda regarding a level crossing which should be replaced by a viaduct or an overpass on Murdock St. and, if so, when does the Department intend to begin this work?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): No such request has been received by the Minister of Public Works.

Questions

[*English*]

PERSONNEL IN PRIME MINISTER'S OFFICE

Question No. 814—**Mr. Godin:**

1. How many employees, advisors, secretaries, etc. were attached to the Office of the Prime Minister in 1964?

2. How many employees of the same categories are presently employed in the Office of the Prime Minister?

3. Have the services added to this Office caused new positions to be created?

4. When an overload of work makes it necessary for this Office to take on additional staff, from what agency are the services of part-time employees obtained at the present time?

5. Has the government considered offering the same benefits to some Members who have seen their work doubled following the recent electoral redistribution?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1. As of January 1, 1964, 12 employees held appointments by order in council in the office of the Prime Minister.

2. As of November 1, 1968, 32 employees held appointments in accordance with section 37(1) of the Public Service Employment Act; two additional were employed by contract.

3. Yes.

4. Part time assistance, when required, is obtained from the following sources: (i) Casual employees referred by the Canada Manpower Centres in Ottawa and Hull; (ii) Office Overload Company; (iii) Chapman Girl; (iv) Canadian Office Services Limited; (v) Manpower Services Ltd.

5. The government is aware of this suggestion.

SLIPWAY AND HAULOUT ENGINE, DINGWALL HARBOUR, N.S.

Question No. 818—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has the government received a request regarding the urgent need of a slipway and haulout engine at Dingwall Harbour, Victoria County, Nova Scotia?

2. What consideration is being given to this request and when is it anticipated that these facilities will be provided to the fishermen in Dingwall?

Hon. Arthur Laing (Minister of Public Works): 1. Yes.

2. This request is being investigated.

[Mr. Laing (Vancouver South).]

PARK DEVELOPMENT, POINT PELEE, ONT.

Question No. 820—**Mr. Danforth:**

1. Has the government recently undertaken a major plan of development of Point Pelee and Point Pelee National Park?

2. What were the names of the consultants who took part in this undertaking?

3. What are the conditions of employment of the consultants and remuneration received by each and were any local consultants in or near this area used in the project and, if not, for what reason?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The national and historic parks branch of the Department of Indian Affairs and Northern Development have embarked upon a major plan of development on Point Pelee national park. This will be phased over some ten years and follow closely the conceptual plan for this national park made public in November 1967.

2. To date the following consultants have participated in this development: Sasaki Strong & Associates; James F. MacLaren Limited; William J. Setterington.

3. (a) The conditions of employment of consultants will vary to some extent with the type of service required. Generally, however, the consultant is required to possess a demonstrated professional competence in the field for which the service is required and, where possible, practise in the province in which the project is located; (b) The remuneration received by Sasaki Strong Associates was $11,630.76. The other two consultants referred to in 2 above have not at this time completed their respective assignments; (c) William J. Setterington has offices in Leamington, Mr. James F. MacLaren in London, while Sasaki Strong & Associates were from Toronto. As the various forthcoming phases of the project are implemented additional opportunities will continue to occur for other local consultants to participate in this project.

EMIGRATION FROM CANADA

Question No. 822—**Mr. Dumont:**

How many Canadians emigrated from Canada in 1967 and of these, how many emigrated to the United States?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics estimates the number of persons who emigrated from Canada, calendar year 1967, at 69,000.

According to the Immigration and Naturalization Service, United States Department of Justice, the number of persons who emigrated to the United States from Canada, calendar year 1967, was 38,854.

[*English*]

PERSONNEL IN PRIME MINISTER'S OFFICE

Question No. 882—**Mr. Mather:**

What were the numbers of assistants, aides, secretaries, publicists and others, employed in the Office of the Prime Minister and the total of their remuneration in the years 1961, 1965 and at the present time in 1968?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister):

	As of November 1, 1961	As of November 1, 1965	As of November 1, 1968
Number of personnel	15	21	34
Total annual remuneration	$97,920	$197,492	$406,085

PERSONNEL IN PRIME MINISTER'S OFFICE

Question No. 884—**Mr. McCutcheon:**

1. How many people were employed in the Prime Minister's office on October 1, 1965 and on October 1, 1968?

2. How many were on the payroll October 1, 1965 and on October 1, 1968?

3. How many were voluntary help October 1, 1965, and in October 1, 1968?

4. What did the payroll on an annual basis amount to as at October 1, 1965 and on October 1, 1968?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister):

	October 1, 1965	October 1, 1968
1.	21	31
2.	21	31
3.	NIL	NIL
4.	$197,492	$391,240

PRESS RELEASES, PRIVY COUNCIL PRESIDENT

Question No. 892—**Mr. Howard (Skeena):**

1. Do the Government Services under the jurisdiction of the President of the Queen's Privy Council of Canada 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?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. Yes; 5.

2. (a) $1.02; (b) Nil; (c) $2.38; (d) Nil; (e) Nil.

3. (a) No. 7 white bond basic 40M; (b) 9,000 sheets; $26.10.

4. 13 hours.

QUESTION PASSED AS ORDER FOR RETURN

COST PRICES OF ARTICLES SOLD BY CROWN ASSETS

Question No. 396—**Mr. McQuaid:**

What was the original cost to the Canadian Government of the following articles sold through Crown Assets Disposal Corporation during the fiscal year 1967-68 and were the articles new or used when sold (a) 3 diesel generators sold to Newfoundland Power Commission for $15,000 (b) 10 prefabricated "Butler" buildings sold to Province of Prince Edward Island for $15,000 (c) coffee pots and tea pots sold to Oscar's Surplus Jobbers Ltd. for $10,289 (d) aluminum saucepans sold to Oscar's Surplus Jobbers Ltd. for $9,133 (e) fire extinguishers and fire carts sold to Hercules Sales Ltd. for $9,099 (f) office furniture sold to G. H. Johnson's Furniture Ltd. for $8,944 (g) 375 filing cabinets sold to Browns Auction Rooms Ltd. for $7,969 (h) 3 diesel generators sold to Tanny Merchandising Corp. for $5,130 (i) 3 snow blowers sold to Harbour Motor Sales Ltd. for $11,666 (j) fire truck sold to Hub Fire Engines and Equipment Ltd. for $5,000 (k) 295 tents and 295 tent bags sold to Merchandise Mart of Canada for $5,236 (l) blankets sold to Hercules Sales Ltd. for $5,113 (m) road grader sold to Laird Construction Ltd for $5,117?

Return tabled.

Order for Return

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I regret to have to rise again to ask when I will receive the answer to question No. 4. Really there is no excuse for the delay. It has been on the order paper since September 12, which is nearly three months. I have been told two or three times on orders of the day that it would be answered soon. The question is in exactly the same form as one I have asked every year for about 20 years. I am simply trying to get up to date information, and I am beginning to wonder about the delay. This has to do with pensions of retired civil servants.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I apologize to the hon. member for this delay, and I will undertake to see that something is done about it.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions Nos. 39, 41, 42, 43, 44, 45, 46, 47, 48 and 49 are agreeable to the government, subject to the usual reservations concerning privileged papers and authorization of the government authorities concerned.

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

[*English*]

"REVISION OF THE INDIAN ACT"

Motion No. 39—**Mr. Howard (Skeena):**

That an order of the house do issue for a copy of the document entitled "Revision of the Indian Act" which was presented to the fourth meeting of the national Indian advisory board held in Ottawa from May 1 to May 5 inclusive, 1967.

Motion agreed to.

INDIAN EDUCATION, BRITISH COLUMBIA

Motion No. 41—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of British Columbia since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

[Mr. McQuaid.]

INDIAN EDUCATION, PRINCE EDWARD ISLAND

Motion No. 42—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Prince Edward Island since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

INDIAN EDUCATION, NOVA SCOTIA

Motion No. 43—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Nova Scotia since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

INDIAN EDUCATION, NEW BRUNSWICK

Motion No. 44—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of New Brunswick since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

INDIAN EDUCATION, QUEBEC

Motion No. 45—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Quebec since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

INDIAN EDUCATION, ONTARIO

Motion No. 46—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Ontario since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to

INDIAN EDUCATION, MANITOBA

Motion No. 47—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Manitoba since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

INDIAN EDUCATION, SASKATCHEWAN

Motion No. 48—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Saskatchewan since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

INDIAN EDUCATION, ALBERTA

Motion No. 49—**Mr. Howard (Skeena):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government of Canada or any agency, branch or department thereof and the government of the province of Alberta since January 1, 1967 relating to the matter of education for Indians.

Motion agreed to.

EXTERNAL AFFAIRS

OUTSIDE ADVISERS ASSISTING IN REVIEW OF FOREIGN POLICY

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Now that the names of outside advisers who are to participate in the review of foreign policy have been leaked to the press together with the procedures to be followed in this review, will the hon. gentleman not agree that parliament and the country are entitled to a statement from the government in respect of the personnel, procedures and terms of reference of this review?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I held preliminary conversations with some ten people on September 28, not about the foreign policy review but about procedures for associating academic specialists with discussions on Canadian relations with Europe. These ten individuals, whose names are accurately reported by Mr. Newman in his article, are representatives of non-governmental organizations with particular interests in foreign policy, research and discussion. I am very much indebted to them for having undertaken to select academics who might have such discussions with us. I am sure everyone in the house will agree that it would be useful to get the views of academics on this question. The people who are mentioned in Mr. Newman's article are not likely to be those who will be involved in the review.

Mr. Stanfield: Mr. Speaker, would the Secretary of State for External Affairs consider it appropriate in these circumstances to indicate to parliament and Canada the terms of reference to this inquiry; and would he also confirm whether it is his intention or the intention of the government to submit this report to a private meeting sponsored by the Canadian Institute of International Affairs for consideration before parliament, any parliamentary committee or Canadians as a whole have had the opportunity to see the report? I ask this question in view of the position taken by the minister in requesting that he be allowed to obtain these comments regarding our foreign policy.

Mr. Sharp: Mr. Speaker, the purpose of the discussion we will be having with these academics is to elicit their views before the government reaches any conclusions. The academics will not be made privy to any of the views of the government on this subject. It will be the purpose of the meeting to find out, before the government completes its review or comes to any view, the views of these people.

If I may be permitted to refer to a committee of the house, yesterday when I appeared before the committee on external affairs I made it plain, and I should like to repeat this now, that it would be very agreeable to the government if the committee were to invite the views of members of parliament and others who might like to appear before the committee to express their views before the government has completed this review. After the review is completed the intention is to publish a white paper, which would then of course be open for debate.

Mr. W. B. Nesbitt (Oxford): A supplementary question to the Secretary of State for External Affairs, Mr. Speaker. First, are

those experts who are being consulted by the government given access to classified information in order to make more appropriate comments; and if so, are they being cleared for security? Second, are any persons outside of Canada, or non-Canadians, being consulted in this regard with respect to the future foreign policy of Canada?

Mr. Sharp: Mr. Speaker, on the first question the answer is in the negative. Our understanding is that the academics we would like to talk with do not want to be made aware of any classified information, because in that way they might be inhibited in expressing their views in other places. So I can say unqualifiedly that no classified information will be available to them.

Mr. Nesbitt: Mr. Speaker, I directed another point to the minister. Perhaps he did not quite hear it. Are there any persons outside of Canada, or non-Canadians, being consulted in this regard with respect to the future foreign policy of Canada?

Mr. Sharp: Mr. Speaker, I would very much doubt whether the Institute of International Affairs would be likely to nominate such persons, but of course I do not know who these academics are going to be so I cannot answer that question quite so categorically. I would doubt very much, however, whether they would put forward the names of non-Canadians.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. Would the minister say whether the advice given by these academics will be made public, so that members of this house and the general public can get the benefit of their advice to the government?

Mr. Sharp: I have never known academics who are reluctant to express their views on foreign policy. I am quite sure that after they have expressed them to us they will express them publicly and loudly.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a supplementary question to the Minister of National Defence. I hope he will not consider it redundant. Would the minister confirm that it is the intention of the government to maintain this country's military strength in Europe until January, 1970, at least?

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, I believe that was implied in the testimony I gave yesterday at the committee.

Mr. MacLean: A further supplementary question, Mr. Speaker. Are we to understand that the statement made in the house by the Prime Minister on November 15, I believe it was, to the effect that we can withdraw from NATO during the course of 1969 if we so decide, is in fact an option that is not now open to Canada under the present circumstances?

Mr. Cadieux (Labelle): Mr. Speaker, if I am asked to comment on that, I think the Prime Minister was referring to the fact that in August Canada could exercise an option or give notice of withdrawal.

[*Translation*]

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I should like to put a supplementary question to the Minister of National Defence and to the Secretary of State for External Affairs.

In view of the fact that the estimates of the Department of National Defence have been reported to the house and those of the Department of External Affairs will be reported soon, are the two ministers considering the possibility of sending the annual report of the two departments back to the committee on external affairs and national defence, in order to allow the committee to continue its study and perhaps call witnesses who will help its members to form an opinion and advise the government with regard to its policy revision?

Mr. Cadieux (Labelle): I understand, Mr. Speaker, that the chairman of the committee on external affairs and national defence has plans to that effect, although they have no immediate connection with the estimates of the Department of National Defence, which were passed by the committee yesterday.

[*English*]

Mr. Stanfield: A supplementary question Mr. Speaker. I would like to ask the right hon. Prime Minister whether the Minister of National Defence was expressing government policy when he stated on television last night that Europe is the geographical region where Canada's security is most in jeopardy.

Right Hon. P.-E. Trudeau (Prime Minister): He was stating a very important point of view, Mr. Speaker.

Mr. Lambert (Edmonton West): Is that all?

Mr. Baldwin: I should like to ask the Prime Minister, in respect of the question asked him earlier, if the government will give the same measure of attention to the recommendations of the committee on external affairs as they are apparently giving to the recommendation of the committee on transport and communications with regard to the railway service in Newfoundland.

Mr. Hees: A supplementary question—

Mr. Speaker: Order, please. I think we should go on to a new subject.

FINANCE

SUGGESTED REIMPOSITION OF CEILING ON BANK INTEREST RATES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Finance, one that was asked last Monday by my colleague the hon. member for Winnipeg North Centre. The Minister of Finance has probably seen it. In view of the very large profits announced by the banks of Canada, would the Minister of Finance give consideration to reimposing the ceiling on the interest rate, or to finding some other way of controlling interest rates, particularly on loans for housing mortgages?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the lifting of the ceiling on interest rates has meant that the marginal borrower in Canada has been able to borrow money at lower rates than when the ceiling was on. I think one should not only look at the profits of the banks; one must also look at those of all financial institutions, including finance companies, and at what is happening in this regard.

Mr. Lewis: I have a supplementary question, Mr. Speaker. I appreciate the minister's invalid elementary lecture on finance, but I should like to ask him whether in view of the profits which the banks are making he would at least consider renegotiating with the banks the interest rate on farm improvement loans, a subject matter within the purview of negotiation between the government and the lending institutions.

Mr. Benson: I do not think this is really necessary with respect to interest rates on farm improvement and student loans. In these cases what the borrower will have to pay is the current government borrowing rate for a similar term plus a small margin to cover administrative costs. I think this is a fair arrangement, and I believe people generally will be happy with what has been done in this respect.

[*Translation*]

AIRPORTS

QUEBEC—INQUIRY AS TO CONSTRUCTION IN EASTERN TOWNSHIPS

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to put a question to the hon. Minister of Transport.

In view of the statement made on various occasions by the hon. minister in this house to the effect that the site of the future Quebec international airport would be known soon—that is in December—why have none of the briefs presented by the municipalities of Drummondville and Farnham as well as other towns located on the south shore not been considered up to now by the federal-provincial committee responsible for finding a site for the future international airport?

[*English*]

Hon. Paul Hellyer (Minister of Transport): To the best of my knowledge the members of the technical committee have considered all possible sites. Obviously some of them are better than others, and they are concentrating their attention on the preferable ones.

[*Translation*]

[*Later:*]

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

Since the Minister of Transport has used the expression "to the best of my knowledge", could I ask him to inquire officially from the federal-provincial committee and to give us an official answer on that, in order to assure us that the sites proposed by the municipalities on the south shore are really being considered because, according to our information, they are not?

[*English*]

GRAIN

PROVISION OF ADDITIONAL DRYING AND TRANSPORT FACILITIES

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister without Portfolio in charge of the Canadian Wheat Board.

In view of the grave situation facing western wheat farmers with regard to the drying of damp grain, would the government consider providing free transportation for available grain drying equipment from eastern Canada to help alleviate the situation in the west?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, many measures are being considered to assist in the drying of prairie grain. This kind of scheme would ordinarily originate at the initiative of the provincial government. In the past such schemes as this have certainly been supported with federal assistance.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the Acting Minister of Agriculture. Can the minister now advise the house, in the light of the very serious situation in western Canada due to the cost involved in the drying of a multi-million dollar grain crop, whether the government will provide acreage payments of up to $400 per farmer to assist in covering the cost of this very expensive undertaking?

Mr. Lang (Saskatoon-Humboldt): I do not think, Mr. Speaker, that the question of particular assistance to agriculture is specifically related to this issue. It is a rather broader one, and it is under consideration at all times.

Mr. Baldwin: It does not seem to be related to anything.

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question for the minister. On November 27 he indicated he would look into the matter of grain drying at the lakehead on a 24-hour basis. Are the lakehead terminals drying grain on a 24-hour basis at present?

Mr. Lang (Saskatoon-Humboldt): The drying facilities at the lakehead are in operation 24 hours a day, six days a week, and negotiations are under way with the labour unions to extend these operations to a seven day basis.

Mr. Korchinski: I have a further supplementary question, Mr. Speaker. Is there insufficient grain at the terminals at present to warrant a seven days a week operation?

Mr. Lang (Saskatoon-Humboldt): There is now sufficient grain at the terminals, in store or en route, to assure a continuous operation once this can begin on a seven day basis.

Mr. Korchinski: I have one more supplementary question, Mr. Speaker.

[Mr. McKinley.]

Mr. Speaker: I will allow only one further supplementary question, because there are a number of other hon. members who are anxious to ask questions.

Mr. Korchinski: My question is a result of the minister's reply. May I ask the reason for the delay until now in the negotiations with the unions on this particular question? The situation is no surprise to anyone.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in view of the fact that the government elevator at Moose Jaw is at present only working on a five day eight hour shift due to a lack of box cars to move grain, I wonder if the minister can state whether the government has taken into consideration the complete co-ordination of the movement of box cars to transport the damp grain.

Mr. Lang (Saskatoon-Humboldt): It is true that the Moose Jaw terminal is operating on a 24-hour, five day a week basis. Moose Jaw is not in an area where there is a great problem with regard to damp grain, but arrangements have now been made to ensure that adequate quantities of damp grain will in fact find their way to Moose Jaw so as to make full use of that facility.

Mr. Skoberg: I have a supplementary question, Mr. Speaker. May I respectfully suggest that at present the terminal at Moose Jaw is operating on an eight hour shift. I wish to ask the minister again whether he will look into the situation, as I am certain there is a sufficient amount of damp grain to be moved.

Mr. McKinley: I have another supplementary question, Mr. Speaker. In view of the fact that the minister has placed the burden of responsibility on the provincial governments, I wonder whether he would be prepared to say, if the provincial governments would arrange to make this grain drying equipment available from Ontario, he would then provide free transportation to have it moved to where it is needed.

Mr. Lang (Saskatoon-Humboldt): I am sure the Minister of Agriculture will be discussing this question with the provincial ministers. I did not mean to suggest it was necessarily a good program, because the drying equipment required to handle the current problem is largely available on the prairies. The problem is more one of organization than of the supply of additional equipment, though no doubt additional equipment would also be useful.

[*Translation*]

EXTERNAL AFFAIRS

MEETING OF EDUCATION MINISTERS OF FRENCH SPEAKING COUNTRIES

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister.

Can he tell us whether an agreement has been reached by Ottawa and Quebec with regard to sending a Canadian delegation to the coming Niamey conference, or whether Quebec will send its own delegation?

Right Hon. P.-E. Trudeau (Prime Minister): The matter has not been settled, Mr. Speaker. However, the discussion is still under way and I am very optimistic about its results.

[*English*]

FINANCE

INQUIRY AS TO CONTROL OF GOVERNMENT EXPENDITURES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the Minister of Finance. In the minister's statement issued during the weekend he advised the country that during the first seven months of this fiscal year expenditures had exceeded revenues by 30 per cent more than they did during a similar period a year ago and that this situation is worsening steadily. My question is: In view of the situation, is the government in the near future expecting to announce the steps that it intends to take to correct the situation and to bring expenditures in line with revenues?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, my hon. friend, who knows so much about the financial world, should know that he should not pay too much attention to monthly financial statements unless he considers the effect of seasonally adjusting them over the whole year. Second, we have brought the finances of Canada under control, and in my budget speech I indicated what we were intending to do and what most people believe we intend to do.

Mr. Hees: I have a supplementary question for the minister. Is he not aware that during the time he was making his budget speech expenditures were exceeding revenues by $52 million, almost three times as much as during the same month a year ago? Does he call this progress?

Mr. Speaker: Order, please. The hon. member is urging me to allow the minister to reply. However, there are only a few minutes left in the question period, and many members have not had an opportunity to participate until now.

LABOUR CONDITIONS

NEWFOUNDLAND—UNEMPLOYMENT RESULTING FROM FISH PLANT CLOSING

On the orders of the day:

Mr. James A. McGrath (St. John's East): I want to direct a question to the Minister of Fisheries. Does the government intend to take any action to forestall the imminent closing of several major fish plants in Newfoundland, directly affecting over 6,000 plant workers and in excess of 10,000 fishermen?

Hon. Jack Davis (Minister of Fisheries): As the hon. member knows, the 1968 fishing season is drawing to a close. The decision to shut down is up to the companies themselves. I might also comment that in addition to the usual programs of government assistance that have been available this year, there have also been expenditures on special programs of assistance during the past year and the total income in the Atlantic region is up substantially over 1967.

Mr. McGrath: A supplementary question, Mr. Speaker, and this is a very urgent question. Does the government intend to continue the deficiency payments program to fish operators?

Mr. Davis: The answer, Mr. Speaker, is no. The program came to an end on October 31, 1968, and any new program will have to be announced early in the new year.

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question. The minister has indicated that the deficiency payments have terminated. Can the minister indicate to the house, in view of the fact that next year's fishing season is in great danger of not being successful, what alternative proposals the government has for staving off literal starvation of the Atlantic fisheries?

Mr. Davis: As I said before, the industry has done fairly well in 1968. However, we will be announcing new programs early in the new year.

Inquiries of the Ministry

HEALTH AND WELFARE

STEPS TO OVERCOME SHORTAGE OF MEDICAL PERSONNEL

On the orders of the day:

Hon. J. W. Monteith (Perth): I have a question for the Minister of National Health and Welfare, but in his absence I will direct it to the acting minister or his parliamentary secretary. In view of the serious shortage of medical doctors which now exists and which will become more serious in future with the introduction of medicare, is the government considering revising its decision to cut health grants and abolish hospital construction grants?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I shall bring those remarks to the attention of the minister.

[*English*]

Mr. Monteith: I wonder then if I may add a supplementary to which the minister might also reply. What does the government intend to do to ensure that the country will have enough doctors now and in the future?

AIR CANADA

CONCILIATION BOARD REPORT ON DISPUTE WITH EMPLOYEES ASSOCIATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. On Monday he indicated to me that he had received the report of the conciliation board dealing with the dispute between Air Canada and the airline employees association. In view of the continuing disagreement that exists, can the minister bring us up to date on this situation?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I did receive the report on Monday. After analysing it very carefully I felt the conciliation board had not carried out completely its terms of reference. I returned the report to the board and asked them to amplify certain areas within the terms of reference submitted to the board in order to facilitate both parties. At the present moment the board is reconstituted and will be meeting in Toronto on Friday, at which time I hope more progress will be made.

[Mr. Davis.]

TRANSPORT

ORGANIZATION OF CONTAINER TRAFFIC IN ATLANTIC PORT

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of Transport. Will the minister advise why there have been delays in organizing container traffic in a designated Atlantic coastal port, brought about by the apparent incapacity of the National Harbours Board to come to any decisions on this extremely vital matter?

Hon. Paul Hellyer (Minister of Transport): I was not aware of any undue delay, Mr. Speaker, but I would be glad to take the question as notice and check the allegations contained in the hon. member's question.

Mr. Muir (Cape Breton-The Sydneys): May I ask the minister the reason for the delay by the National Harbours Board in setting rate structures in east coast ports and providing the necessary facilities in order that container traffic may be rolling as quickly as possible rather than be diverted to the United States, as is beginning to appear likely?

Mr. Hellyer: I expect that any delay is caused by the fact the private enterprise companies do not want to pay a practical rate, and consequently negotiations are continuing to see if some agreement can be reached.

Mr. Muir (Cape Breton-The Sydneys): Is the minister not aware that the delays are caused by the inability of the government and the National Harbours Board to make some of these vital decisions?

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question for the Minister of Transport. Has the minister yet had time to read the report on National Harbours Board decentralization? If so, is he now prepared to table that report, especially in view of the fact the transport committee is going to have officials from the National Harbours Board before it on Friday, when it would be very helpful to have the report.

Mr. Hellyer: I wish my hon. friend would not ask that question, because I have not yet finished reading it. I think perhaps I will have to table it without completing my reading of it, or else finish reading it overnight. If my hon. friend wants a decision between now and Friday I will try to give him an answer tomorrow.

POST OFFICE DEPARTMENT

OTTAWA—REPORTED DELAY IN MAIL DELIVERY

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): My question is directed to the Postmaster General. Could I ask the minister if he is investigating allegations of slow delivery of the new and more costly mail, especially in view of a report in today's Ottawa *Journal* concerning a letter mailed in Ottawa on Wednesday last and delivered in the same city on Monday of this week?

CONSUMER AFFAIRS

REQUEST THAT PROTECTION BE INCLUDED IN CRIMINAL CODE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question to direct to the Minister of Justice, Mr. Speaker. In view of the fact that the housewives' charter to protect the consumer has now become part of Britain's criminal code, will the minister introduce similar legislation or consider such action in connection with his new omnibus bill to amend the Canadian Criminal Code?

Hon. John N. Turner (Minister of Justice): I would certainly want to talk that over with the Minister of Consumer and Corporate Affairs.

UNIDENTIFIED FLYING OBJECTS

REPORTED SIGHTINGS OVER SIOUX LOOKOUT, ONT.

On the orders of the day:

Mr. John M. Reid (Kenora-Rainy River): My question is for the Minister of National Defence. In view of the numerous citings of unidentified flying objects over Sioux Lookout, Ontario, and the fact the federal government maintains an expensive Pine Tree radar detection installation there, I should like to know if the Minister of National Defence has received any reports on these U.F.O.'s?

Mr. Speaker: I am not sure this is an urgent question. Perhaps it can be discussed at ten o'clock tonight.

PUBLIC SERVICE

ALLEGED THREATS BY MEMBERS OF CABINET

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Prime Minister, Mr. Speaker. Perhaps at this point I should take time out to introduce the Prime Minister to the hon. member for Burnaby-Seymour.

Some hon. Members: Question.

Mr. Speaker: Order, please. I again remind hon. members that there are only a few minutes left in the question period, so perhaps we should get on as quickly as we can.

Mr. MacInnis (Cape Breton-East Richmond): Is the Prime Minister aware that civil servants are working under duress because of threats emanating from the Liberal caucus?

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, some seem to think this is very funny. I follow my remarks by raising a question of privilege. I wish to draw to the attention of the house a matter which is of most serious concern to all. On national television last night a Liberal member of parliament expressed the opinion that threats were used against ministers in caucus in order to bring about desired results.

Some hon. Members: Shame.

Mr. Speaker: Order, please. We have time for one more question. The Leader of the Opposition.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I can wait until the cheering dies down. I have in my hand a transcript of a program that was broadcast last night on national television.

Mr. Speaker: Order, please. If the hon. member is raising a question of privilege about a matter which arose yesterday he ought to know that according to the rules he must give written notice to the Chair. He cannot raise as a question of privilege a matter which apparently, from what he says, arose yesterday, unless he gives the Chair written notice of his intention to do so.

Mr. MacInnis (Cape Breton-East Richmond): With respect, Mr. Speaker, this matter has very serious implications for the Prime Minister and the cabinet. I have in my hand the transcript of comments made on a television program last night, and I wish to

bring these to the attention of the house. The allegation is that civil servants are threatened by ministers, and the member of parliament appearing on television said this has been done. I refer to the hon. member for Okanagan Boundary (Mr. Howard), who said—

Mr. Speaker: Order, please.

Some hon. Members: Shame.

Mr. Speaker: Orders of the day.

SUPPLY

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

Mr. Howard (Okanagan Boundary): Mr. Chairman—

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Crouse: Let us have parliament according to the rules.

An hon. Member: Do not threaten the Speaker.

Mr. Thompson (Red Deer): Where is the President of the Privy Council?

The Chairman: Order, please.

Mr. Macdonald (Rosedale): I rise on a point of order, Mr. Chairman.

Some hon. Members: Oh, oh.

The Chairman: Order, please.

Mr. Macdonald (Rosedale): Mr. Chairman, may I suggest that the committee might rise and report progress for the purpose of hearing the hon. member's question of privilege?

Some hon. Members: Hear, hear.

The Chairman: Order, please. The correct procedure is for the minister to move the motion, give it to me in writing, and allow me to put it to the committee.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order, a very simple one. Is it appropriate for the committee of supply to go back into the whole house on a move which, in effect, is a reflection on Mr. Speaker's judgment? Mr. Speaker left the chair, feeling that the matter then before the house was disposed of. I suggest we have no right to reflect on Mr. Speaker by going back into the house.

Some hon. Members: Hear, hear.

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

Mr. Hees: The government house leader wants to be the Speaker, too.

The Chairman: Order, please. I appreciate the point of order raised by the hon. member for Winnipeg North Centre, but I think that the Chair has no option in the matter except to put the motion.

An hon. Member: Was Mr. Speaker threatened?

Mr. Lundrigan: On a point of order, Mr. Chairman. About 15 minutes before the truth was exposed in the house I indicated to Mr. Speaker that I would be rising on a point of privilege at the end of the question period to bring to the attention of the house a matter that pertains to the fact that our economy is going on the rocks. I bowed to Mr. Speaker's decision when he said that this could wait. At the same time I do not wish it to be thought I am relinquishing my position or the privilege of bringing up the same point on another day.

An hon. Member: Bring it up.

Mr. Stanfield: Mr. Chairman, I think the government house leader and hon. members supporting the government are abusing their majority. In the interest of decorum and of proceeding in an orderly and proper manner I think the members of the government ought to accept the opprobrium of not proceeding in this matter.

Mr. Trudeau: I thank the Leader of the Opposition for simplifying the whole problem, but I think it has grown and become a little out of proportion.

Mr. Lewis: Hear, hear.

Mr. Trudeau: I do not think we should accept the opprobrium, as the Leader of the Opposition says. It is a matter of elementary fairness. A particular point of privilege was raised; I do not think it is too important. I would be prepared to concede, if it would help the debate, that sometimes members do threaten their ministers in caucus. I do not think that is a very serious matter. The only relevant point is that Mr. Speaker did not catch the eye, I think, of the hon. member who had been put under an accusation and I think, in fairness, he should have been given a chance to answer.

Some hon. Members: Hear, hear.

• (3:30 p.m.)

An hon. Member: It is still a reflection on Mr. Speaker.

The Chairman: Order, pleace. The motion that I have is unacceptable as it is. I will read it to the committee—it will then become clear why it is unacceptable.

An hon. Member: Why read it, then?

The Chairman: I should like to read it so that my ruling might be understood by all members of the committee. It is moved by Mr. Macdonald (Rosedale):

That the committee do rise and report progress for the purpose of hearing the question of privilege of the hon. member for Okanagan Boundary.

My decision is that the latter part of the motion is a substantive question, and that it is therefore out of order at this point.

Mr. Baldwin: Mr. Chairman, could you call the first order of business, so that we might know what is to be the first item to be discussed in committee of supply, and prepare for it now?

The Chairman: Under our standing orders it is the option of the government to bring forward the business to be discussed in the committee of supply, and the Chair does not have any business before it right now.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): With great respect, I indicated to the Clerk of the House that we would be considering the estimates of my colleague the Minister of Finance.

The Chairman: I apologize. I have not yet been advised of that.

Mr. Knowles (Winnipeg North Centre): I wish to say a few words on the main item of the estimates of the Department of Finance, which department I believe is now before the committee.

The Chairman: Order, please. I thought the hon. member was possibly rising on a point of order. I have not put the business formally.

DEPARTMENT OF FINANCE

1. Departmental administration including administration of the guaranteed loans acts, the Inspector General of Banks' office, and payments to provinces as detailed in the estimates, $3,970,500.

The Chairman: The house in committee of supply, revised estimates of the Department of Finance for the fiscal year ending March 31, 1969. Vote No. 1 will be found at page 138 of the blue book; details thereof are listed at page 142.

Mr. Hees: A few moments ago, Mr. Chairman, I asked the Minister of Finance whether in view of the very sharp increase in the excess of expenditures over revenue during the past few months the government intended to take steps to correct the situation so as to bring expenditure and revenue into better balance. The minister replied by saying, in effect, that we should not pay too much attention to statements of that kind, that the main thing was: How is the country doing? It was something to that effect.

Mr. Benson: Oh?

Mr. Hees: Was that not the case?

Mr. Benson: Perhaps the hon. gentleman would allow me to clarify the position. What I was saying was this: Monthly figures, unless they are seasonally adjusted, are very misleading, and I have no reason to believe that the estimates as presented in the budget for the current fiscal year will be materially different from the final figure for the year as a whole.

Mr. Hees: All we can believe, Mr. Chairman, are the statements which the minister himself puts out under his name. I should like to read a *Canadian Press* report which appeared in the paper on Saturday. The *Canadian Press* is, of course, a very reputable organization, not known to exaggerate or to take political sides at any time. It is in fact an organization supported by all the newspapers in Canada to give factual reports of the news. Here is what the *Canadian Press* had to say, under the heading "Spending gets further ahead of revenues" and datelined at Ottawa:

Federal spending is outstripping revenues by a larger amount than in 1967.

A statement by finance minister E. J. Benson giving figures for the first seven months of the current fiscal year which began last March 31 shows a deficit of $83.1 million with budgetary revenues of $5,392,300,000 and spending of $5,475,400,000.

The deficit for the same period last year was $65.7 million, with revenues of $5,009,700,000 and spending of $5,075,400,000. In October this year—

—The month during which the minister made his budget statement—

—spending at $911 million outran revenues of $859.8 million by $51.2 million. In the same month in 1967 there was a deficit of $18.1 million on spending of $750.2 million and revenues of $732.1 million.

All I have done is repeat a statement which was given by the minister over his own signature, as reported by the *Canadian Press*. In this statement the minister himself has demonstrated that during the month of October, when he made his budget speech assuring us that in future his government intended to balance the budget, at the very moment he was speaking the government was spending $52 million more than it received in revenue, and overspending by three times as much in that month as it did in the same month a year earlier. Those are the facts, and those are the figures.

Mr. Benson: Would the hon. gentleman like an answer?

Mr. Hees: Yes, I would—if there is one.

Mr. Benson: The hon. gentleman has a great deal of experience in finance and I know the tremendous job he carried out prior to being in parliament. He knows that monthly figures are not in themselves indicative of the final result, that in any particular month of the year expenditures can be high and revenues somewhat low. There are variations, depending on the amount of money spent in a particular month, how far contracts have gone, and so on. I simply repeat that I have no reason whatever to change the estimate I made in my budget, which indicates a deficit in 1968-69 fiscal year and a relatively balanced budget in 1969-70.

• (3:40 p.m.)

Mr. Hees: The minister can claim it was unfair to take one month alone and compare it with another month. In the first seven months of the fiscal year government expenditure exceeded revenue by 30 per cent. In other words, during those seven months expenditure was 30 per cent more than revenue. This figure is even higher than the figure for the same period in the preceding year. This gives a pretty good indication, Mr. Chairman, that the government has not been able to curtail its expenditure. I suggest the fact that expenditure exceeded revenue in the month of October by $52 million is somewhat alarming, in that this is three times the excess of expenditure over revenue in that same month the year before. Although this is not entirely indicative of what the total figure will be at the end of the fiscal year, I suggest that we cannot rely on the minister's assurance that everything is going to be all right. If we were to do that, then criticism or debate in this house would be completely meaningless.

The Canadian people are worried about this situation, Mr. Chairman, because they are the ones who have to pay for this excess of expenditure over revenue. The Canadian people want to know what the minister is going to do to eliminate this differential, so that they will not be called upon to pay more and more taxes. In my question this afternoon I asked the minister whether the government expected to make a statement in the near future specifically outlining what it is going to do to bring expenditure and revenue further into line, a very logical and, I believe, sensible request. However the minister brushed it off as something that is of no consequence.

For the last three years, Mr. Chairman, the Minister of Finance has been making the same statements. For part of this time he was president of the treasury board. I remember when one year ago the president of the treasury board told the house that he had installed in his department a new computer system that in future was going to take all of the guesswork out of forecasting. He said there would be no more misforecasting.

Mr. Benson: Oh!

Mr. Hees: Well, Mr. Chairman, certainly that is the impression I received from reading his speech, and I am sure that is the impression the house received as well.

Mr. Stanfield: He gave his personal guarantee.

Mr. Benson: You were overimpressed.

Mr. Hees: I took the minister at his word and assumed that he meant what he said. I am sure the minister will agree, if he reads the speech he made on that day, that I am not being unfair when I suggest that that is what he meant.

As I say, Mr. Chairman, the Canadian people are worried about the mistakes or miscalculations that have been made by the government. During the recent election campaign the Canadian people were told on several occasions, both by this minister and by the Prime Minister that the government was going to balance its books; that they expected to have almost a balanced budget next time. But when parliament resumes it is advised by the minister that we are going to have a deficit of $675 million, nearly three quarters of a billion dollars.

This is why we feel we must question the government about what steps it is taking to ensure that this overspending in which it has

indulged is not going to continue. However, Mr. Chairman, the minister does not seem to take these questions seriously. He assures us that everything is going to be all right if only we have confidence in him. In view of the figures that are published year after year and month after month, the Canadian people cannot be anything but greatly concerned.

In order to offset the excess of expenditure over revenue the Canadian people have to dig into their pockets to meet increased taxation. This has a very serious effect not only upon the well-being of the people and their ability to bring up their families properly and pay their bills, but also on the unemployment situation in this country. As we all know, Mr. Chairman, when people have money in their pockets to buy goods and services, employment prospers. Goods have to be manufactured to replace those that are sold off retailer's shelves.

Naturally, Mr. Chairman, if the Canadian people are called upon to pay more and more taxes, there is less money in their pockets to pay for goods and services. Consequently jobs become fewer. This also is of concern to the public. When taxes on corporations or insurance companies are increased, it is the consumer, the ordinary average citizen, who pays for the increase in the end. In the case of a corporation that manufactures goods and provides services for sale to the public, any tax increase is absorbed by correspondingly increasing the price of its goods to the consumers. In the same way an insurance company absorbs extra taxes simply by increasing its premiums, and the average Canadian citizen pays again. So no matter whether taxes are increased on individuals or corporations, the average Canadian citizen foots the bill.

During the coming year, Mr. Chairman, 1969, which we are looking to with a great deal of interest, because of the importance of our economy to the well-being of average citizens, Canadian taxpayers are going to pay $845 million more in taxes than they paid this year. They will also pay out an additional $100 million on increased postal rates, either in the form of postal stamps or goods that they purchase. Ordinary Canadian citizens will have about $1 billion less to spend on goods and services. I suggest that the result of this will be serious for our employment situation during the next year.

The minister and the former minister of finance, who is in his seat at the moment, seem to consider this whole matter a huge joke. These two ministers have been telling this house for the last three years that they are going to balance the budget; but they have not done so. After all, it is some little time since they told the electorate that they were going to balance the budget. They are thinking: "Yes, we did say that, but it was not true. Since we have got in again we will have four years to work on it, and probably at the end of that period the people of Canada will have forgotten all about it". Since the minister has unlimited time to speak, this would be a good opportunity for him to stand in his place and tell this committee what specific steps he has taken to curtail expenditures.

• (3:50 p.m.)

The figures which he himself issued last Friday show that the excess of expenditures over revenues is growing month by month. It was 30 per cent more during the first seven months of this year than during the first seven months of last year. This is something which should cause him a great deal of worry. I do not think he even knew about these figures. I believe his department issued them, because he seemed surprised that they do exist. They were issued over his signature but—

Mr. Benson: That is just not true.

Mr. Hees: For someone who knew them the minister seemed very surprised this afternoon.

Mr. Benson: Mr. Chairman, I have been asked to rise and answer the question. I am very much aware that these figures are as they are. I explained to my hon. friend what they meant. If he does not understand it, I cannot do much about it. If he will look back at my budget speech he will see the figures contained therein, and I stand by those figures. I do not think there is any reason to change them. My hon. friend is picking up figures for one month and saying this is what happens in seven months or in a whole year. If we should end up the year with the deficit shown in the first seven months I would be happy, but that will not happen and my hon. friend knows it, because expenditures tend to increase at the end of the year as contracts near their completion.

My hon. friend is making a big fuss about not very much. I consider the matter just as serious as he does. I spend all my time worrying about expenditures of the federal government. I think this government has done more to try to control expenditures than any

government in Canada at the federal level in a long time. I think we will succeed ultimately in spite of what my hon. friend says.

Mr. Hees: For a government, as the minister says, which has done more than any other government to control expenditures, the results have been very unsatisfactory. We have had tax increases I think four times in the last three years. In every budget that has been produced there has been a very large deficit, despite the fact that during each year either the previous or present minister has glibly assured us, as we are being assured now, that everything will be all right and that expenditures will equal revenues. This is what the minister has been telling this house. I have sat here and listened to the minister and the former minister for three years, as has every member in this house. The minister has told us these things over and over again and now he asks why we do not believe him and why we do not have confidence. The answer is that for the past three years I have listened to the same speech the minister made a few moments ago. On every occasion he has assured us that he is cutting down expenditures and is going to make the expenditures fit the amount of revenue taken in.

Every time he does this he says that we should wait for a few months. When we do, we find that he was talking through his hat and obviously did not know what he was talking about. I give the minister and the Prime Minister credit for not knowing the figures and not knowing what the situation was at the time of the election, because if the minister had known he could not have made the kind of statement he did when he assured the people of Canada that the government would come very close to balancing the next budget. If the minister did know, then he was deliberately misleading the people of Canada. I do not think he is the kind of man who would do that. I think he is an honest man. I do not agree with the way he is running his department at the present time, but he is an honest incompetent. I retract that statement: I said it for a joke and take it back. I believe the minister tries his very best. I think the previous minister also did his best, but that best is not nearly good enough for a country such as Canada, because not only do the Canadian people have to pay more and more and more in taxes every year, but this will seriously jeopardize employment next year. Unemployment will rise seriously just as sure as God made little apples, because it cannot do anything else.

[Mr. Benson.]

This minister and this government plan to take $1 billion out of the pockets of the Canadian people next year. The Canadian people will not be able to spend that money on goods and services, as they would be able to do if they were not taxed the way they will be as a result of this budget, and if it were not for the increased postal rates which we have. One billion dollars is being taken out of their pockets, which will be $1 billion less of goods and services. This will result in a serious increase in unemployment. This is what worries me.

Mr. Benson: We are taking $1 billion out and putting it back.

Mr. Hees: When are you putting the $1 billion back in?

Mr. Benson: At once, the government will not have a $1 billion surplus.

Mr. Hees: Well, you are certainly taking it out of the pockets of the people who would spend it on the goods and services, and therefore it is not going to be spent. So, Mr. Chairman, I again appeal to the minister to take his job seriously and to persuade his colleagues to take the situation seriously and trim down their expenditures to match their revenues. I ask them to stop this gross overspending and gross overtaxing of the people of Canada.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when the present Minister of Finance was president of the treasury board there were at least two things of which he persuaded me. He persuaded me that he personally was in favour of taking action to improve the pensions of retired civil servants. I may say that the former prime minister, Right Hon. Lester B. Pearson, persuaded me that this was also true so far as he was concerned. However, these two gentlemen, the present Minister of Finance and the former prime minister, also persuaded me of a second thing. They persuaded me that the ultimate decision on this matter is a financial one and that the person I had to win over is the Minister of Finance. I was not successful in winning over the last minister of finance, but I hope the present Minister of Finance still holds the same views he held before, and that he intends to act on this issue while he holds his present portfolio. I say to him that I have no intention now to irritate him. I do not intend to cajole or even threaten him, although apparently that is a practice employed in some areas around here. I do

however appeal to him to do with regard to this issue what he knows really must be done.

I should like to remind the minister that on Monday of last week this subject came up in three separate questions on the orders of the day. The hon. member for Malpeque asked the Minister of National Defence whether something would be done soon to bring the pensions of retired servicemen into line with those that are paid in relation to present pay scales. The Minister of National Defence replied that he hoped something could be done on the matter in the spring. Realizing as I did that the pensions of retired members of the armed forces, retired members of the Royal Canadian Mounted Police and retired civil servants generally are all of a piece, I followed with supplementary questions to two other ministers, namely the Minister of Finance and the Solicitor General. The Minister of Finance gave me the assurance I have had so often, that this matter is continually being studied. The Solicitor General said he would like to take the question as notice so that he could give a fully accurate answer. I do not quarrel with either of those ministers for not making a precise statement on Monday, November 25, in view of the way in which the question followed one after the other.

• (4:00 p.m.)

However, I do stand here today urging the Minister of Finance, recognizing as I do that these three things are in one basket, to expedite action in respect of this matter in relation to federal superannuates generally, retired armed services people and retired R.C.M.P. personnel.

Not so long ago, on Monday, November 18, I spoke on another set of estimates and I went into this question in detail. I shall not do so today, but I dare to believe that those who have to follow these matters have looked at the remarks I made on that occasion. I might even dare to hope that they may have been drawn to the attention of the Minister of Finance. He knows, however, of the many studies which have been made in respect of this matter by various departments of government, by members of parliament and by the special committee which dealt with it in 1967, and he knows the hopes that have been raised that action will be taken on this matter. These hopes were raised in particular by the unanimous recommendation of the joint committee which made its report to parliament on May 8, 1967. I put the terms of that recommendation on the record on Monday, November 18, and they include a special proposal that there be increases in the pensions of these three groups of retired government employees forthwith.

The Minister of Finance also knows, as I said on Monday, November 18, what he said to me during the month of May. He knows what he told me as to when he expected the legislation to be brought in and when he thought it would be passed. I suspect that he also knows what the former prime minister told me as to when action on that report would be effected. That date has long since gone by, and we have had this issue up time and again since then. I know the Minister of Finance will still take the position that he thinks something should be done but that it cannot be done in light of present conditions. I suggest to him that the good name of parliament, the whole question of how parliamentary committees operate and whether their operations are worth anything at all, and the responsibility of the government to be a good employer, calls for early action on this issue.

One of the arguments, of course, that is sometimes used against acting on this issue at all is that this a matter of concern to all retired people, not just retired government employees. That, in fact, is the standard line used in letters that go out to retired civil servants from the Prime Minister's office and from other offices, namely that this matter has to be looked at not in respect of these groups alone, but in respect of all groups of retired people. I fully agree. Not only do I agree; this is something I have been asserting for a long time. But I suggest the federal government has a particular responsibility to its own employees so far as their position is concerned, and also has a responsibility to give leadership in this issue.

It is not often I find myself wanting to send the Minister of Finance a copy of part of the *Financial Post,* but I have one here on which I have written "Mr. Benson". I have autographed it with my signature and I intend to send it over to him. The other day when one of my colleagues was directing a question about a matter of financial policy the Minister of Finance retorted that he was surprised to see the N.D.P. and a chartered bank in an alliance. I suppose he will now be surprised to find me in alliance with the *Financial Post.* Of course, this is the other way around: The *Financial Post* has caught up with me. May I just take a moment to indicate—

Mr. Stanfield: It is time somebody did.

Mr. Knowles (Winnipeg North Centre): I am sorry, I missed that remark.

Mr. Stanfield: I said, it was time somebody did.

Mr. Knowles (Winnipeg North Centre): I am very grateful to the Leader of the Opposition. This section which I hold in my hand is a special feature which made up a full section of the *Financial Post* for this issue of November 16, 1968, and it is all on the question of pensions. The theme of the issue was indicated by the main headline on the front page: "Will your pension be adequate all the years of retirement?" The heading under that states:

> For pension planners, the major challenge is how to beat the rapid inflation that could halve value of fixed income every 18 years. As retirement ages become lower and longevity increases, problem becomes ever more of a headache.

Here is another article under the heading "Inflation's pressure on the pensioner". Here is another one on page 3 under the heading "Rising incomes bypass the already retired". There are thousands of people in this country who could testify to the truth of that. Here is another article on page 5 under the heading "Productivity gains must be shared". This is a socialist line I have been preaching for a long time, and here it is in the *Financial Post*. This one is particularly significant. It states that "Productivity gains must be shared" by all those who are retired. After all, they helped to bring the country to the point where productivity could be increased.

On page 7 we find an article which I hope the minister will read. It is under the heading "Pension adequacy: the union position". Here is an interesting article headed "What pension benefits act is all about". On page 11 we have another article entitled "Is your pension fund performing well?" Here is another interesting article, "Why you should tell all to employees". It begins with a subtitle, "Effectively telling what your pension plan does is sound on many grounds". On page 15 there are a couple of articles, one headed "How to offset rising pension plan costs". In addition to all these articles on this question of pensions there are a good many advertisements dealing with this whole matter.

I make no apology for bringing the *Financial Post* into this house. In fact I am very happy to do so. I may say I have two or three extra copies, one of which I will send at the appropriate moment to the Prime Minister, and another I will send to the Minister of National Health and Welfare and, if other hon. members over there would like me to do so, I will send them copies. I have one for the Minister of Finance. I put the name of the Prime Minister on this one, but since he is not here I will send this to the Minister of Justice and get another one for the Prime Minister. On this copy I put the name "Mr. Munro". He is not here so perhaps the hon. member for Ottawa West would like it. I will get more copies for the others.

This excellent treatment of the subject in the *Financial Post* underlines the two points I have been trying to make. The first point is that this is a serious issue about which we ought to do something, particularly to help those we can help, our own employees; retired members of the armed forces, and retired members of the R.C.M.P. It also makes the other point, that this is a problem which has grown in proportion, and that unless we get started with the idea of escalating pensions after they have been put into effect all our pension plans will be in serious jeopardy in five or ten years, to say nothing about the 18 years suggested in this report.

It is not good enough to talk about pensions being increased by the increase in the cost of living. This pattern is becoming accepted. There is this 2 per cent notion around, which would indicate that pensioners have had an increase and therefore cannot get any more. The writers of this *Financial Post* know better than that. They say what is needed is a sufficient increase to enable people to share the increase in productivity.

• (4:10 p.m.)

I am glad to see my colleagues opposite reading these papers. As I say, I will be glad to get more from the *Financial Post* for other members, with no charge for the commercial. I hope that what I have said will impress itself upon the minister and that he will realize we cannot continue to stall on this issue as we have done. It does not give me any satisfaction to stand up and say I have been talking about this for 20 years, and that nothing has been done about it. I hope the Minister of Finance will confirm what the Minister of National Defence said the other day that perhaps in the spring something will be done. If something is done for retired members of the armed forces in the spring it cannot stop there. This will have to be done for R.C.M.P. pensioners and federal superannuates generally. If we wait until the spring we will be waiting too long, because these people have been waiting now for many years. But it

would mean something if we could be told now that the matter is under that kind of consideration; not the kind that goes on continually and never results in anything, but the kind that will result in something really being done. Over the years I have used every device I know to get something done in this respect. I have been nice and sweet; I have been angry; I have cajoled; I have badgered; I have threatened at length; I have even threatened to keep parliament here during the summer. None of that today: just a straight, man-to-man appeal to the Minister of Finance. He knows where he stands personally on this issue. He knows what he told me during the months of May and June last year. He knows what he told me just before the leadership campaign this year about this whole issue. The minister shakes his head as though he is trying to figure it out. If he has forgotten, I will tell him, but I think he knows.

Mr. Benson: I was not running.

Mr. Knowles (Winnipeg North Centre): The minister was not running, but he had a favourite candidate and he knows what he told me about which candidate had the best chance of getting this issue through. He told me behind the curtain one day, and I will remind him if he has forgotten.

Mr. Benson: You were not a delegate.

Mr. Knowles (Winnipeg North Centre): It was over here, behind the curtain in this House of Commons. So I appeal to the minister to get started on this issue. As I have indicated by what I have said today, and the emphasis I have given to the reports in the *Financial Post,* I do not want it to stop with the federal superannuates and employees of the federal government. It is an issue that we have to resolve through our pension plans as a whole. Surely this is a place to start because the unanimous recommendation of the joint committee is there. There are tremendous funds on the books for the paying of pensions. There is the question of the interest rate adjustment that could be made. There are ways, if the minister wants to do it. I think he wants to do it. I ask him to act now without further delay.

Mr. Downey: Mr. Chairman, I would like to cover briefly this afternoon some of the aspects of the proposed estate tax changes. One of the most objectionable things about the proposed changes in the estate tax is the manner in which the minister introduced them. His description of the effects of the tax may not have been a case of deliberate misrepresentation, but it was certainly misleading to many Canadians. For example, the minister said:

> I believe that members will also agree that the estate tax changes should be made effective immediately so as to exempt property passing to widows on deaths after midnight tonight.

That was the night of October 22. What a joke! It would only make sense if all wills drawn before that night could be magically changed to fit within the new system of exemptions and the new rate structure. The minister was simply using the old technique of the stage magician to divert attention from the hand that is performing the trick, and it looks great. Instead of his other hand, both hands were probably busy pilfering the public's pocket. He used widows to divert public attention.

He hoped then, as he hopes now, that the gullible public will think only of the few people now exempt from estate tax and the limited confines of this exemption. He trusts they will not think too much of the tremendously accelerated rate structure of estate taxation. "It is difficult to predict accurately the revenue effects"—this was another gem the minister used in introducing his proposal. It may be difficult for him to predict down to the last pennies, but he knows very well indeed that the number of those pennies will be very much greater than it was under the old system.

We have only to consider that where once the maximum rate of tax applied starting at the $2 million level—I believe it was 54 per cent at that level—it now starts at the $300,000 level at 50 per cent. This acceleration in applying the maximum tax can hardly be expected to yield less revenue than before. My belief is that the minister and his colleagues were so desperate for ready cash that they would go anywhere to get it. In this case they would even pillage graves to get revenue.

They were in such indecent haste to collect some petty cash that they brought forward this proposal in such a complex fashion as to leave outside tax experts and estate lawyers gasping and wondering for some time to come. No one understands the ramifications of this measure, and perhaps that is just the state in which the minister wants the public to remain. One lawyer has told another that the only advice a lawyer can honestly give

his client in the present circumstances is: Don't die until we know what it is all about.

The Hamilton Chamber of Commerce recently presented a brief to the minister. In it they pointed out that the apparent tax saving attendant upon the surviving spouse receiving the estate exempt from tax was really a snare and a delusion; it was only a delaying of taxation, payment deferred. I reiterate that the exemption to spouses is not really a tax exemption at all but a tax deferment. Estates will eventually be taxed fully and at a much higher rate than formerly.

The Hamilton group viewed with most alarm the possible drastic effects of the minister's hastily formulated estate tax proposal on the Canadian economy. It would be interesting to hear from the minister regarding some of these questions. I wish to quote from the brief of the Hamilton Chamber of Commerce as follows:

> How many Canadian corporations will be purchased by foreign ownership because the estates will be unable to meet the excessive taxes resulting from the death of a principal shareholder? This question should be a point of concern for all Canadians and particularly the representatives of those Canadians who have stated on numerous occasions that foreign ownership is not in the best interests of Canada.

The second observation in the brief is this:

> How many Canadian corporations will be forced into liquidation because a buyer could not be found to provide funds for estate taxes? If this seems like a remote possibility, consider, if you will, the taxpayer who works a lifetime and builds a business worth $1,500,000. On his death his estate will be subject to estate taxes in excess of $700,000; he will not have been able to gift a large portion of his estate during his lifetime nor will the postponement of taxes until his wife's death alleviate the problem. If a suitable buyer cannot be found in a relatively short period of time, then the executors of the estate may be forced to liquidate the assets of the business to meet the tremendous tax bill.
>
> How many jobs for Canadians will disappear because of these forced sales and liquidations? Would the net effect of these increased estate and gift taxes be, in the long run, a loss in revenue to the federal government rather than as anticipated an increase in income from these areas?
>
> Is it the intention of the Canadian government to end the possibility of a Canadian corporation being carried on by future generations?

The Hamilton brief summed up by stating:

> It is our feeling that a situation that was drastic prior to this budget has become catastrophic.

There were in the brief some recommendations that I believe are worth repeating. It states:

• (4:20 p.m.)

> It is our opinion that if these resolutions are adopted as proposed, there will be a serious effect on the Canadian economy. It is our feeling that a situation that was drastic prior to this budget has become catastrophic.

[Mr. Downey.]

Then, in referring to the family corporation they say:

> The excessively high estate and gift taxes will only serve to suppress the initiative required in a democratic society. Too many Canadian business owners will succumb to the lure of foreign dollars and sell their businesses during their lifetime. This will enable them to retain their estates in liquid investments, rather than continuing to expand their corporate operations, knowing full well that the business will be lost to the families at their death—

The Canadian Chamber of Commerce recommended that—

> —in view of the adverse effect of the estate tax on the economy and the relatively small amount of revenue produced by this tax, it is recommended that the estate tax be abolished.

I think that as citizens we all feel that way. It goes on to read:

> If no progress can be made in the area of reducing estate and gift taxes, we would suggest that steps be taken to permit the Canadian corporation to pass between generations without tax. This step would at least relieve our major fear, that in the long run the Canadian economy will be the loser.

I believe the minister was less than forthright in his explanations of this proposal. It certainly almost borders on being a fiscal sleight-of-hand. Perhaps the minister did not have the benefit of the report of the Ontario economic council before he brought in these unfortunate schemes. That report damned estate taxation all around the clock. It used such words as "discriminatory", "confiscation", "penalize", "discourage", and so on. Of course this report was made prior to the minister's announcement of the new estate tax set-up. It dealt with the general theory of estate taxation. It regarded it as an iniquitous and disastrous course in any free enterprise system.

The council was most concerned with the effect of estate taxes on family businesses, small business generally and the discouragement of thrift and personal initiative. I contend that this is exactly what we will get out of these proposals, namely a dampening of personal initiative.

The report of the Ontario council said the following:

> Those responsible for guiding the course of our nation's development need only look to history to find proof that nearly every past civilization has hastened its ruin through its dissipation of capital through taxation.

This is certainly one of the effects this new tax will have—the dissipation of privately amassed capital. The report noted that Canada came immediately after Great Britain and the United States among countries paying estate taxation. The percentage of total government revenue raised by estate taxes in England stood at 3 per cent, in the United States at 2.6 per cent, and in Canada at 1.8 per cent. West Germany has a low estate tax rate of .1 per cent. It may be a coincidence, but it is a fact that West Germany has the lowest estate tax rate and the highest rate of economic growth in the world today.

I feel sure that the figure of 1.8 per cent of government revenue in Canada will jump considerably when the new system is imposed. In Alberta, my native province, we do not have an estate tax. This new proposal therefore is of tremendous interest to the people there. The effect of this proposed new estate tax on the family farms and ranches of this nation is beyond comprehension. At current land values, that are based almost entirely on demand rather than on their relative productivity, we find that farms are valued far higher than their production figures would indicate. I do not think it unreasonable to say that a great many of our average family farms will fall into the valuation rate of $200,000 to $300,000. Our maximum estate tax rates begin at $300,000, and what family farm can afford to pay a quarter, a third or half of its total value on passing from father to son? Our farmers are forced to pay 7¾ per cent interest to buy farms. Much of our farm legislation is geared to phase out the smaller farmer and to create larger economic units. Now we have estate taxation which will serve to eliminate the economic units that have already been created. Under the present financial conditions, economic farm units cannot be created in one generation, nor would it be practical to have a whole new group of people on the farms in each succeeding generation.

With the present complicated agricultural technology and with the large amount of capitalization that is necessary today to carry on an efficient food producing agricultural unit, it is vitally necessary that estate taxes be reduced instead of increased so that farms can be easily passed from father to son. The fact that a farm can pass tax free to a spouse is of no value so far as keeping the family farm in business is concerned. The average widow would not care to carry on the business in the event of her husband's death. Most farms carry a large amount of debt during the life of the farmer. To saddle the farm unit with taxes upon his death that might be equal to a third or half of the value of the farm would mean liquidation upon death.

This proposed change in the Estate Tax Act is one of the most vicious ever devised aimed at family farms and family businesses in general. I appeal sincerely to the minister to reconsider the whole estate tax structure.

Mr. Otto: Mr. Chairman, I should like to congratulate the hon. member who just spoke on making a truly conservative speech—not a Progressive Conservative but a conservative speech, and we have not heard one of those for a long, long time. At least the hon. member stands on a principle, and does not hide under any progressive label, as do some of the other members in his party. This is what we are expected to listen to as complaints against the estate tax. First he decried the disappearance of inherited privilege from father to son. He lamented the disappearance of family corporations that have been built up through generations. He also described tragically the disappearance of privately amassed fortunes. Every civilized nation is turning toward a denial of inherited privilege. We acknowledge that people who are working today in this productive society are entitled to reap the benefits of their work and earnings, but to be entitled in perpetuity to reap the benefits of one's great great grandfather, who might have been a whaler and amassed a fortune a hundred years ago, is certainly a denial of the forward looking ideas in this modern world.

Mr. Thompson (Red Deer): What about the Prime Minister?

• (4:30 p.m.)

Mr. Otto: I mentioned that I believed a person is entitled to live on and enjoy the production resulting from his own effort. There is no one in this house who is more productive or more able than the Prime Minister. I am sure hon. members did not mean to cast aspersions on him.

An hon. Member: Just his inheritance, that is all.

Mr. Otto: As I said, the world is turning away from inherited privilege in many areas. For example, in the seaboard states of the United States there are people today who

think it is shameful to work. They do not have to work because they live on the interest of the interest. They spend their time arranging flowers. I am referring to grown men with great capacity and mental ability. They do not believe it is worth while to work. Hon. members will recall that 200 years ago no gentleman would ever consider working. We have turned away from that idea.

Now let us consider these family corporations. What is so sanctimonious about a family corporation? One of the things against which I have spoken over the past 25 years has been the existence in this country of an establishment. I refer to the family corporations. They are the reason that 182 families in Canada control 85 per cent of our economic wealth. Does anyone think this is good for the economy, when we have this type of establishment? If you want to preserve this situation, I think you are going backwards. The idea should be to loosen the control of this establishment.

Nothing could be better for at least 80 per cent of these family corporations than to lose control. If they were to invite young men with ambition and intelligence to take over these corporations, the situation would improve. If you examine the successful operation of United States corporations, you will find that is one of the reasons they have been successful. They have invited new blood into the corporation. As I say, there is nothing sanctimonious about the preservation of family corporations. I need not go further and make any drastic remarks about the preservation of privately amassed fortunes. Is it worth while to protect this type of thing, and say that someone has amassed a fortune so it must be preserved? If that were the case, then there would be no tax imposed at all. This is where the crux of our problem in Canada lies, the existence of family corporations and family fortunes. There is nothing better than this type of legislation which will break up the establishment and keep the economy of this country rolling. I welcome these changes because I think that this will be the answer, to break up this establishment and invite new blood, new energy, into our whole industrial picture.

Mr. Francis: I should like to say a few words on the question which was raised this afternoon by the hon. member for Winnipeg North Centre, the adjustment of pensions for retired civil servants. This matter has come up on a number of occasions before. The hon. member for Winnipeg North Centre, on November 16, put into the record of *Hansard* in some detail the report of the joint committee of the Senate and the House of Commons on this question, which reported several years ago. I do know, Mr. Chairman, that this is a matter of great concern to the government. I do know it is a matter which the Minister of Finance has considered in some detail. The problem of budgeting in these circumstances is a very difficult one indeed.

At this stage, however, I must appeal to the minister, and hope that at the earliest possible date there will be some adjustment made in these pensions because, in my opinion, the case for such adjustment is a strong one indeed. I do not want to add to what has been said already by hon. members in this house. Very briefly, I may say that the last adjustment was made a number of years ago. The principle of escalation and adjustment of pensions is one which we have generally accepted in a number of respects. We have written it into the Old Age Security Act for everyone. The problem of the government, in its capacity as an employer, of setting a good example is one which I commend to all hon. members in this house. During the course of the last election campaign in my own constituency, this was one point upon which I campaigned very strongly, and I have not in any respect changed my mind.

I do know that the case is one of justice, and one which does not add too greatly to the burden of the treasury. There is at the present time in the fund in excess of $3 billion on which a rate of 4 per cent is allowed by the government. If we were to add 1 per cent to that rate of interest it would mean an amount of something over $30 million a year to the fund. This amount would be more than adequate to make a very good adjustment in the pensions of civil servants who are now retired. There are roughly 30,000 pensioners and if they were to receive an increase of roughly $30 in their pensions this would amount to about $10 million, or about one third of the resultant increase in the fund to which I referred.

The budgetary problem, as I have said, is a very difficult one. I know what the Minister of Finance is trying to do, by setting an example bringing in what is an absolutely necessary measure of fiscal responsibility. I am happy today to say that I agree with what the hon. member for Winnipeg North Centre has said. On a previous occasion in this house I took exception to the line he was taking because, in my opinion, it was an irresponsible

one. The same hon. member has put forward a resolution in this house to raise the pensions of everyone to $125, without any means test or examination of resources. He proposes also that the pensionable age be reduced to 65. The effect of such a proposition would be to add something like $700 million a year to government expenditures.

Mr. Saltsman: Good.

Mr. Francis: Well, hon. members on that side say, "Good". Then, in the next breath they say, "Please tell us what an adequate basis of pension would be". This is like saying, if we throw enough gasoline on the fire, how do we put out the fire? The problem is one of controlling inflation. I know it is not easy for the Minister of Finance in these circumstances. I know he is a man of great personal justice, a man who feels very deeply about these matters. However, he has to do a very difficult job in the field of fiscal responsibility at this time. It is very easy for hon. members in opposition to say we should spend another $700 million a year, and then to go on and say this is not inflationary because we are just giving people money to spend; that it really does not matter. It does matter. You cannot give away large sums of money, you cannot make large promises to people in various sectors of the economy, and at the same time hope that you can be responsible in controlling inflation.

The quarrel I have with hon. members of that party is that it seems to me their platform at this stage is a platform of inflation. They can call it whatever they like. They are very good at distributing money, but when it comes to policies which create money and investment in the country, then their program is deficient. In one respect I agree with what the hon. member has said. I think that the case for an adjustment of the pensions of those who are retired, which will compensate to some degree for the hardship they are suffering, is a very strong one. As I said before, it is one which I will urge to the best of my capacity to those responsible for making the decision.

I can think of an example in my own constituency of a couple who are now approaching 90 years of age. The husband retired 25 years ago and on retirement he had $25,000 in personal savings and a pension of $100 per month. This, according to all reasonable expectations, would be adequate resources for his retirement. Today he has nothing. Ill health creates medical bills, and a pensioner must depend on other resources or he must face a means test. Today the man I am talking about is surviving with the help the city is providing.

• (4:40 p.m.)

So, Mr. Chairman, I wish to join with those who have urged in this house that at the first opportunity consideration by the minister and the cabinet ought to be given to an adjustment in pensions, to setting interest rates with respect to the fund to bring those rates more in line with market rates and to recognizing that this is not in the same category of expenditures as other expenditures which are claimed. We recognize the problems at this time and we note the figures. We also believe that the case is such, here, as to command a very high priority.

Before sitting down I wish to make one last series of remarks. There is, as some hon. members know, an organization composed of superannuated civil servants that has set itself the objective of raising pensions. I suppose you could call this a lobbying organization; but the tactics of the organization and the manner they have approached this problem is a matter of some concern. I note that within the last couple of weeks they had a convention in Ottawa. The organization has only about 8,000 members. The fact is that they have weakened their case by presenting it in an intemperate way; they have weakened their case by the irresponsible presentation of a good case and by the tactics they employed in an election campaign.

Let me say at once that I believe in this pension adjustment and I said so at the beginning of the election campaign. That did not stop this organization from calling a meeting in my constituency in the middle of my election campaign, inviting my political opponent to it and not giving me the courtesy even of sending me notice of the meeting or inviting me to it. That did not prevent this organization from sending out a notice to all its members endorsing my political opponent. Of course, that is their privilege and right; but this sort of thing creates many problems for a person trying to promote the idea of pension increases. In trying to achieve its objectives the organization used methods which were considerably less than diplomatic, and still less judicious. They are entitled to seek their objectives, that is true. If one of their objectives is participation in politics, that is their privilege. If they wish to participate in the election of a government, that is their privilege. But if they are trying sincerely to gain the support of those who are truly

sympathetic to their cause by trying to enlist a broad base of support for the objectives they have chosen, I can only say that the members of the organization are being ill served by the executive they have chosen.

I am confident that the minister will pay heed to the existing need. I know he has his difficulties in working out and presenting a budget. He has great fiscal responsibilities in times like these. I know that the adjustment of pensions for retired civil servants is long overdue.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question. In the reference he made to the federal superannuates national association, was he referring to the organization on a national basis or the activities of the association in his own constituency? If I may say so, I ask that question because nothing like that has happened in my part of the country, so far as this association is concerned.

Mr. Francis: Mr. Chairman, I communicated with the national president of the association subsequent to the election and brought this matter to his attention. I have had no communication from him saying that he regarded what happened merely as a local action. He did not dissociate himself from it and I can only conclude therefore that what happened came about as a result of the policy of the national association.

[*Translation*]

Mr. Caouette: Mr. Chairman, the hon. member for Winnipeg North Centre (Mr. Knowles) told us for the thousandth, if not the millionth time, how important it is to increase the pension of retired civil servants, and we agree with him.

However, they are not the only ones who need a higher income which would enable them to meet their obligations more easily. I understand that the Department of Finance is studying the situation of the retired civil servants, but I feel that it should also study that of the Canadian people as a whole.

Unemployed Canadians, for instance, who get only unemployment insurance benefits, are in a much worse situation than the retired civil servants, and yet nothing much is done for them. The people who live on welfare are in the same situation, and there are many of them. Therefore, the formula advocated by the hon. member for Winnipeg North Centre and others who hold the same views will not solve the problem.

A while ago, I saw the Minister of Finance (Mr. Benson) walking behind the curtains, his hands in his pockets. I would rather see him there, his hands in his pockets, than outside the house his hands in the pockets of the Canadian citizens.

Mr. Chairman, on February 25, 1967, in a speech to the University College Alumnae Association of University College of Toronto, the former minister of finance (Mr. Sharp) said:

> —the second point I should like to mention in passing. I think that we can now anticipate the beginning of an international redistribution of wealth—

It was the predecessor of the present Minister of Finance who spoke like that.

> —an international redistribution of wealth—

We talk about international redistribution of wealth. We do not even manage the redistribution of our national wealth among the Canadian people and we already think of an international redistribution. We are close to talking about interplanetary redistribution. Some fine day, Mr. Chairman, the Minister of Finance will no doubt be on his way to the moon to find outlets for our Canadian wealth. I continue my quotation:

> —and the kind of equalization formulas which we apply to the provinces in our country could very well be applied in the long run on a more total scale.
>
> What is more important still, disposing very high income, the peoples of the wealthy countries will more readily accept to redistributing their wealth to help others.

It would be true if we had very high income but it has been proved that such is the case for less than 10 per cent of our population, which means that nearly 90 per cent of the Canadian people have inadequate income in spite of the high national production in Canada.

The former minister of finance also told us that within the next few years—if one can forecast 33 years ahead of time, as the present Minister of Finance said recently international redistribution would be a necessity.

Again—I quote the words of the former minister of finance:

> What is more important still, disposing of very high income—

But let us, first of all, get this very high income that we cannot now achieve. Under the present system, we take away from the "haves" to give to the "have nots" thus impoverishing just about everyone. If we take

away $1,000 or $2,000 from someone to redistribute them to the multitude that has very little, we are not increasing the purchasing power of the people because the amount of money remains the same.

It must be recognized that the millionaire, for instance, does not pile up his millions in the corner of his bedroom. He spends, he makes his money grow, he makes his money circulate by investing it in buildings or in expansions; and so, he proves his initiative because that money is used to pay salaries, materials, and so on.

When owners are taxed, they are naturally prevented from proceeding with such accomplishments. That is what some fail to understand. When we take something away from the one who owns to give it to those who are dispossessed, we are not encouraging private enterprise, personal initiative. It is a socialist solution, a communist solution, similar to that which the present system advocates. This is redistribution to the detriment of those who own.

Mr. Chairman, let us face the facts. The former minister of finance continued, and I quote:

> —the peoples of the wealthy countries will more readily accept to redistributing their wealth to help others, if they are not desirous of doing so themselves. We can even see parliaments and legislatures throughout the world carry on annual debates on foreign aid, wondering not how to help but instead how to increase existing programs.

We ask that present programs be improved, but the present Minister of Finance always tells us: We have no money. Still, this is the same Minister of Finance that we now have and who is not in the house now because he ran away a while ago. In any event, he is the one who was delegated to France recently. He was also in Bonn attending a meeting with representatives of the other nine wealthiest countries in the world to decide about the fate of France. The Canadian government then accepted to contribute $100 million to help the French increase the value of their franc and maintain the value on the international monetary market.

Mr. Chairman, where did the government obtain these $100 million that have been pledged in order to maintain the French monetary stability? The Minister of Finance (Mr. Benson) does not say and, in fact, they are not included in the national budget. These Credits amounting to $100 million are given to save the French financial system.

However, if the hon. minister is asked to assist in the development of our resources, he tells us: We do not have the money and there is nothing we can do about it. When it is a matter of helping other countries, however, Canadians are right there. It is even mentioned that India will be granted $8.8 million on an interest-free basis for a period of 50 to 60 years. The Minister of Finance (Mr. Benson) is in a position to do that. They say: Oh, we are not lending money, this is credit.

Why is it that the same kind of credit is not being used to finance the development of our country? If credit is good for India, why is it not good for Canadian municipalities? This item would be profitable to Quebec, Ontario, Manitoba and the Maritime provinces which are now begging the Minister of Finance and the government to give them financial assistance. No, they cannot afford it; they cannot help the provinces with the same kind of credit as was granted to India, Asia or Africa, and this is supposed to be logical.

• (4:50 p.m.)

Newspapers write about the loans to India but they never mention the reason why the same thing cannot be done for Canadians. I have been raising these points in the house for six or seven years. In fact, for at least eleven years, I have been advocating the necessity to make financially possible what is physically feasible in Canada, but the newspapers do not have the time to mention that. Controlled by finance, stifled and muzzled, the press leads the people toward fallacy and hides the truth from Canadians.

When plausible suggestions are made, suggestions similar to what the government has done with regard to foreign countries, newspapers find no room to refer to that. These would be published in the obituary notice, for instance, but without too much publicity. They are afraid, because finance approves it. Newspapers are slaves paid by finance, and the Minister of Finance knows it. They protest only when the government passes a piece of legislation that hurts them, or tax them more. Then, they recognize our existence.

But, Mr. Chairman, it matters little. We will all the same convey the message to the whole population, because the estimates now before us have already been spent and we can do nothing about that. However, this gives us the opportunity to say to the Minister of Finance what we think about his monkey system and he cannot say that we are wrong. In fact, he knows that we are right, but like the others, he is paid not to understand that we are right, to make believe that

what we say makes no sense. Those people are not free to speak their mind. What did they say when they went to Bonn? What was dictated by American finance, and the Canadian Minister of Finance said there exactly and textually what American finance told him to say, and nothing else.

Mr. Chairman, I heard earlier a Liberal member speak about the family corporations transferred from father to son and inheritances which he found useless, thereupon a Conservative member immediately added a remark. But what has the right hon. Prime Minister (Mr. Trudeau) done to earn the money he has? Everyone knows that he inherited the wealth of his parents and nobody objects to that. But what about the young, the children who usually inherit from their parents? Some heirs may be heartless and dilapidate the estate that was left to them, but the younger generation will generally have enough initiative to improve the industry or inheritance they received. Then, the inheritance represents an asset, a potential, a reason for the existence of taxes that must be imposed on estates left by the father to his son, or by one family to another.

Mr. Chairman, a distributive justice is what the Créditistes ask for. It is not with new taxes that the increase of pensions—

The Deputy Chairman: Order. It being five o'clock, it is now my duty to leave the chair, report progress and ask permission to sit again at the next sitting of the house.

Progress reported.

[*English*]

The Deputy Chairman: It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely notices of motion and public bills.

HEALTH AND WELFARE

INCLUSION OF MENTAL AND T.B. INSTITUTIONS IN INSURANCE PROGRAM

Mr. David Orlikow (Winnipeg North) moved:

That, in the opinion of this House, the government should consider the advisability of including mental hospitals and T.B. sanitoria in the federal hospital insurance program (Hospital Insurance and Diagnostic Services Act) so that the provinces will have available sufficient funds to provide for adequate treatment of the mentally ill, those people suffering from T.B. and the care and training of mentally retarded children.

[Mr. Caouette.]

The Acting Speaker (Mr. Béchard): This notice of motion was called a second time on Monday, December 2.

• (5:00 p.m.)

Mr. Orlikow: Mr. Speaker, the problem of mental illness is one of the serious health problems facing the people of Canada at the present time. Today almost 70,000 hospital beds are being used to treat people who are ill as a result of mental or emotional disorders. This is almost half of the number of hospital beds available in Canada. More than 75,000 patients are under the care of Canadian mental hospitals. This year, Mr. Speaker, mental illness accounts for 41 per cent of hospital patient days. It has been estimated that one person out of ten in Canada is or will be mentally or emotionally ill during his lifetime.

We have not had in Canada a really scientific estimate made of the cost of mental illness to Canadians, but experts who have done a good deal of work for the Canadian Mental Health Association have estimated that the cost of mental illness to Canada, in the form of medical and social services, lost time and production, amounts to $500 million per year. This is a very substantial amount of money even in the inflationary year of 1968. Some studies made in Great Britain indicate that the cost of mental illness runs between 1.6 and 1.9 per cent of the gross national product. Applying that figure to Canada, Mr. Speaker, the cost is more than $600 million a year.

I doubt, Mr. Speaker, that any person in this house would disagree with me when I say that the hospital programs initiated just after the end of world war II, as a result of which we now have government financed hospital plans in every province in Canada and covering all of the people of Canada, have been of tremendous benefit in meeting the health standards of the public of this country.

The basic and major fault in the legislation originally proposed, the Hospital Insurance and Diagnostic Services Act, was that mental hospitals and t.b. sanitoria were excluded from the federal hospital insurance program. Every professional organization that has studied the question—for example, the Canadian Medical Association, the Canadian Psychiatric Association, the Canadian Mental Health Association and their provincial divisions—have called upon federal governments both Liberal and Conservative to amend this legislation so as to include under its provisions mental hospitals and t.b. sanitoria. This is

what I am suggesting in my motion today, Mr. Speaker.

I suggest, Mr. Speaker, that compared with the facilities provided for the diagnosis and treatment of people suffering from physical illness, facilities for people suffering from mental illness are distinctly second class. This is unjust, unfair and should be corrected at once. The same standard of care should be given to those suffering from mental illness as is given those with physical illness.

I have not seen any recent figures, Mr. Speaker, but a couple of years ago—and I am sure the ratio has not changed—the cost of care for a person in one of the provincial mental hospitals was not more than one quarter of the cost of care for a person suffering from physical illness in any of the general hospitals to be found in the cities of Canada. This situation I submit is completely unjust.

The Canadian Mental Health Association, in a brief submitted to the government in 1967, recommended that the Hospital Insurance and Diagnostic Services Act of 1957 be amended so that all mental and psychiatric hospitals come within the terms of the legislation. I think that anybody who gives any consideration to the problem will realize that the proposal made by the Canadian Mental Health Association is one which has complete justification.

There should be no distinction made between people who are mentally or emotionally ill and those who are physically ill. Indeed, Mr. Speaker, the medical profession is becoming increasingly convinced that a very large percentage, probably in the neighbourhood of one third, of the people who visit a general practitioner because they feel they are ill are suffering from mental or emotional illness. That being the case, it is certainly true that they ought to receive the same kind of treatment in a hospital, if they require to go there, as a person suffering from a physical disorder.

I realize, Mr. Speaker, that in making this proposal I am running counter to the thinking of this government in regard to shared cost programs. The government has made it clear that it wants to get out of shared programs. It seems to me that there is more than a legal or constitutional problem involved here. Canadian governments must give bold and vigorous leadership in what is a very basic problem. I believe that ways must and can be found to cross the constitutional jurisdictions and restrictions that serve little purpose beyond prolonging and deepening the problem.

When federal governments in the late 1940's and 1950's brought in their plans and legislation to provide for hospital insurance, under which they agreed to bear 50 per cent of the cost of hospitalization plans, they breached the supposed barrier to the federal government in the matter of participating in the field of hospital insurance and the payment of hospital costs. I suggest that in this matter of the payment of hospital costs by the federal government there is no more reason today than there was then for making a distinction between mental illness and physical illness.

There is a very simple principle involved here, Mr. Speaker, and that is that mental illness is like any other illness and should be dealt with within the same organizational, administrative and professional framework as physical illness. That can be done, I submit, only if the federal government would agree—and if this motion is agreed to I think it would be bound to agree—to amend the legislation to which I have referred so as to include within its ambit mental hospitals and t.b. sanitoria.

This question, Mr. Speaker, was dealt with by the royal commission on health services, which heard submissions on this question and on many other questions having to do with health. Their findings are very clear and precise. I should just like to quote a few sections from those findings having to do with mental health. I quote this from the first volume, page 21:

• (5:10 p.m.)

> Of all the problems presented before the Commission, that which reflects the greatest public concern, apart from the financing of health services generally, is mental illness—case finding, diagnosis, treatment and rehabilitation.

The report continues to make a number of specific recommendations. I shall deal only with those having to do with the question of mental health and mental institutions. The first appears at page 25:

> The commission recommends:
>
> 13. That the Hospital Construction Grant regulations under the Health Facilities Development Fund be amended immediately to provide one-half the cost of construction of psychiatric wards or wings in all general hospitals over 100 beds in size, or of small regional psychiatric hospitals with up to 300 beds, adjacent to general hospitals, including the requisite out-patient facilities, and the small units for the mentally retarded.
>
> 14. That federal and provincial authorities designate those wards of existing mental hospitals in which patients are clearly receiving active or convalescent care as a "hospital" or "facility"

under the Hospital Insurance and Diagnostic Services Act, commencing January 1, 1965, so that these costs will be shared.

17. That salaries or sessional fees for psychiatrists directing these hospital wards or regional hospitals be accepted as a shareable cost under the Hospital Insurance and Diagnostic Services Act.

29. That henceforth all discrimination in the distinction between physical and mental illness in the organization and provision of services for their treatment, and the attitudes upon which these discriminations are based, be disavowed for all time as unworthy and unscientific.

I believe all the provincial governments have been and are facing tremendous financial problems in the field of education, welfare and health, to mention just a few. Despite this, provincial expenditures in the field of mental health have gone up pretty substantially. The provincial governments are caught in the cost squeeze. The result is—and I believe this is true of all provinces—that the amount of money available for the administration of mental hospitals for the care of mentally and emotionally ill patients has been limited.

A few moments ago I mentioned the cost of looking after patients. The cost in one of the provincial institutions is probably not more than one quarter of the cost of looking after a patient in any of the general hospitals in Canada. Given the circumstances I have mentioned, we cannot expect the provinces to do more. If the federal government would assume what I consider to be a just and equitable share of the cost of the administration of mental hospitals and t.b. sanitoria, I would hope that the provinces would not reduce the amount of money they are devoting to those hospitals, but that the federal funds which would be made available would be adequate to meet the costs now being disbursed by the provincial governments so that the type of service which would and could be provided would be improved.

In recent years we had a good deal of experience. In virtually every general hospital, certainly in the larger cities of Canada, there are psychiatric departments and wards. People are treated in those hospitals. Who are the people who go there? Usually they are the people in the middle and upper income bracket who, if they have these problems, see a psychiatrist. If during the time they are seeing a psychiatrist they need hospitalization, they very often go to hospital. This is true in Ottawa; it is true in Montreal, Toronto, Winnipeg, and in all the other large centres. The people who are treated in the psychiatric wings of hospitals are covered by hospital insurance. They receive the best care

[Mr. Orlikow.]

that is available in Canada. Their costs, which are somewhere in the order of $30 or $40 a day, are now being paid by the various provincial hospitalization plans. Who goes to the other hospitals, the provincial hospitals, where the costs are not $30 or $40 a day, but probably $10 a day? Usually these are the people who do not see a private psychiatrist.

I suggest therefore that we have one type of treatment for people in the middle and upper income brackets and another and much poorer type of treatment for people in the low income brackets. I submit that this is wrong and immoral. I urge the government to give favourable and systematic consideration to this resolution, not because it is in my name but because it embodies the recommendations made by organizations which are most expert in this field, such as the Canadian Medical Association, The Canadian Psychiatric Association, the Canadian Mental Health Association and, last but not least, the royal commission on health services which reported in 1964.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I just heard "The member for Hull". I thought "dull" was meant, but that is not correct. It is the member for Hull.

Mr. Speaker, I am pleased to take part in this discussion, since it deals with a subject I believe I know very well. Perhaps I am more familiar with it than others, since it deals in fact with a question related to health.

At the beginning of my remarks, I wish to congratulate warmly my good friend from Winnipeg North (Mr. Orlikow), whom I respect very highly, as I believe he has known for a long time the state of stagnation of certain families, resulting from inconveniences due to the illness of certain people.

I know very well that he is a pharmacist by profession and that he has been able for a long time to produce in his laboratory the drugs prescribed by physicians, while giving sound advice at the same time.

He chose politics. Let us say that this may have changed his profession very little but, in my opinion, he was a very good pharmacist, which he remains of course, because of his great human feelings toward his fellow men.

• (5:20 p.m.)

I should like to say that I agree with the principle stated by the hon. member for Winnipeg North; these services should be integrated within an hospital insurance framework; however I think that it is much too late

today since eventually we are going to abandon certain joint programs, the hospital insurance, among others.

However, we would have to discuss the principle on the basis of which hospital insurance was established. In 1957, we realized that there were a great many disparities, not with regard to treatment but with regard to those who were stricken by disease, when many ended up the next day as we say, on the street that is faced with bankruptcy in view of the high cost of hospitalization, especially when the illness was rather serious.

An hon. Member: On account of medical costs.

Mr. Isabelle: We shall talk later about physicians.

It was on that principle that the government had based the hospital insurance in those days. Mental hospitals, and T.B. sanitoria were subsidized by provincial governments and, as it was question of chronic diseases requiring several years of hospital care, the federal government never contemplated intruding into an area which was very well administered and was subsidized by provincial governments. That was the way to do it, and it was the government's policy when it introduced its hospital insurance plan.

They wanted all Canadians, from coast to coast, to be treated free of charge in Canadian hospitals and to receive the medical care necessitated by some chronic diseases.

And that is why, on the basis of this philosophy, it is easy to understand that medicare complements this—and I must say that I am one hundred per cent for medicare —and if some of my fellow practitioners are against it, it is because they do not understand this program. I have been saying for a long time that we must try to inform them so that they will know what medicare means. In any case, that is the philosophy o which the government has based the establishment of this hospital insurance.

Needless to say, the Hall report recommended also that these services should be integrated and as I said a while ago, it would be useless to start a complete review of the policy, to set out a new policy in this respect, in order to integrate these mental and T.B. services within the framework of hospital insurance.

We know that today psychiatry is very popular. I think that any decent person will sooner or later see a psychiatrist. Things have changed. There was a time when those people who felt a bit at sea and who told strange stories—not always about politics—when they started to tell funny stories, they were shut up in mental hospitals where they remained until their death.

Today, all this has changed somewhat; they are released from hospitals. It is a new method, which is being tried out, and I hope that there will be drugs strong enough to quieten them down. It is quite a fad today; as soon as some patients are depressed, their physician advises them to see a psychiatrist. I know that this does not happen here, in the House of Commons; we are so busy that we do not feel the need for pills; but sometimes, when I listen to certain members, I feel that it would be advisable for them to receive psychiatric care.

In any event methods of psychiatric treatment have changed considerably; that is why several psychiatric hospitals—which formerly were called "asylums", an old word which will soon disappear from the dictionary—no longer exist, because it is now possible to treat the patients in the psychiatrist's office.

As for T.B., there is no need to go into the details to prove that in 1953 there were roughly 18,000 tubercular patients in Canada while, ten years later, there were barely 8,000. There has been, then, a huge drop in the number of tubercular patients; that is why sanatoria have had to be closed all across Canada for which there was no longer any use. Today, tuberculosis is treated in the doctor's office. Indeed, great success has been achieved thanks to the medical research and good administration of those who were entrusted with the care of health in Canada.

I must say, Mr. Speaker, that it is almost scandalous to see what amounts are taken out of public funds these days to pay for the cost of hospital insurance, and what it costs per capita for treatment in hospital. It is the responsibility of the government to check the flow of public money, as it actually did with regard to the winter works program. Some incredible things have been brought to light in this connection and I daresay that even more fantastic things will be uncovered in the field of hospital insurance.

That one could seek admission to hospital just for a check-up is beyond my understanding, Mr. Speaker. If someone is admitted for that purpose, provided a bed is available, that person should pay both his insurance and his hospital costs, just like anyone who consults a doctor, or gets an electrocardiogram or an X-ray. The tremendous cost to the country

today is due to the large number of people who seek admission to hospitals just to have a check-up.

Some people spend four or five days in hospitals at government expense to sober up after overindulging in drink. Hospitals have become luxury hotels. This situation should be controlled more efficiently. Although a receipt is handed out on discharge from hospitals, it is mentioned at no time that half the bill is paid by the federal government. Ordinary medical examinations should not be made in hospitals. This would result in decreasing the cost of hospital insurance and would allow a better use of beds. This should not be permitted in the province of Quebec, as these services are free of charge. I do not know what the cost is to the province, but the federal government is contributing a certain amount.

I have made these comments hoping to correct this situation, but 20 minutes is too short a time to say everything I want. Anyway, Mr. Speaker, I could say enough to fill a whole encyclopaedia.

It was said by previous speakers that the government was quite agreeable to the principle of integrating psychiatric hospitals, but as I said previously, it is preferable to concentrate on urgent matters, since psychiatric and tuberculosis cases have decreased to such an extent that it is hardly worthwhile spending too much time on this problem.

I was saying a while ago that medical care is a complement and I wish that some pressure were exerted on the authorities concerned to have this program established in all the provinces.

People always say that medical care is expensive, that doctors charge high fees. As far as I am concerned, I have always had the confidence of those who trusted me. Doctors are given to the people by the Lord to provide them with good care. I hope everyone will appreciate their work, because they are human beings like anybody else, and they understand the needs of people.

I agree with my hon. friend from Winnipeg North who has been sponsoring this bill for several years. I hope that one day he will succeed in getting what he wants; but then, I am afraid it will be too late.

• (5:30 p.m.)

At any rate, I must declare now that the government cannot accept to amend the Hospital Insurance and Diagnostic Services Act so as to be obliged to provide assistance to the health establishments mentioned in the motion proposed by my colleague from Winnipeg North.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, as regards the notice of motion presented by the hon. member for Winnipeg North, there are two things to point out and that can be dealt with at the same time.

First, the advisability of including mental hospitals and T.B. sanitoria in the federal hospital insurance program. The second point consists in making available to provinces sufficient funds to provide for adequate treatment of the mentally ill, of people suffering from T.B. and the care and training of mentally retarded children.

I believe all the hon. members agree with that, as they must on many occasions have encountered problems concerning mentally retarded people or patients who could not be admitted to mental hospitals or T.B. sanitoria, because of the lack of room there.

The purpose of this motion is to have such mental hospitals and T.B. sanitoria covered by the federal hospital insurance program. The remark I could make is that we are talking of capital expenditures i.e. that we want to include existing hospitals in medicare. But as far as capital expenditures are concerned, we know that today our hospitals, in Quebec as elsewhere, are costing us a fortune, and that it is their financing which is especially costly to the public. The federal government should intervene in this field, in order to allow the provinces to have pyschiatric hospitals and a few sanitoria, the latter being less needed now that T.B. is regressing due to the progress of medical science. On the other hand, we can see that if T.B. is regressing, the number of mental patients is on the increase. And I found a little strange that the member for Hull (Mr. Isabelle) was only looking to the left when he mentioned mental patients. Mr. Speaker, today I wish to suggest that the federal government grant subsidies to the provinces for the construction of psychiatric hospitals or others, according to the formula put forward by Creditists, which would benefit to the provinces, since it would allow them to have the taxpayer pay only once the cost of their hospitals.

I remember seeing statistics that showed that the cost of hospitals built in Quebec or elsewhere had been paid at least three times, either in financing loans, or in bank or bond interests. I find it strange to force the people of the provinces, taxpayers, to pay three or

four times the capital expenditures of hospitals that are needed.

We agree. We admit that we lack hospitals, psychiatric or other, and that it is not normal to make taxpayers from Quebec or another province, pay thrice the capital expenditures of a $1 million hospital. After 40 or 50 years, the hospital will have cost $3 or $4 million in capital charges, which means that we shall have to pay an amount equal to the cost of four hospitals, but we shall only have received the investments for the building of a single one.

The hon. member for Hull (Mr. Isabelle) is right when he talks about a scandal in connection with all the moneys that the federal and provincial governments must pay to finance the hospital insurance program.

A look at the items covering investments, depreciations and expenditures for hospital construction makes us realize that we have to pay hospitals four or five times over. The hon. member for Winnipeg North should have pointed out in the notice of motion we are now studying that investment charges should be advanced by the Bank of Canada and made available to the provinces so that they may pay our hospitals only once.

This motion raises a second point in connection with hospital insurance, and I quote:

—so that the provinces will have available sufficient funds to provide for adequate treatment of the mentally ill, those people suffering from T.B. and the care and training of mentally retarded children.

I know several children who are waiting for a hospital bed to undergo treatment. The federal government and the provinces are short of money. There is a shortage of space a shortage of everything. However, there is a solution.

That solution is not medicare, as suggested by the hon. member for Hull, for although he condemns the abuses of the present system, he still approves of medicare. That solution is a plan even more socialistic than today's hospital insurance, which would meet the needs of our citizens in health matters, but not according to the proposals made during the last election campaign concerning medicare.

Abuses are denounced in the case of those who go to hospital just for a check-up and who take it easy for three or four days. But if medicare becomes more elaborate, with even more officers and red tape, we shall have even less results and we shall be even farther away from the objectives we have today, namely the protection of health.

Now the Ralliement Créditiste has recommended for a long time a health program that would solve the problem. A health dividend would be granted by the federal government with the co-operation of the provinces. It would be paid to individuals who in turn could go to a hospital that suited them and subscribe to the health insurance program of their choice. Civil servants should not ram health insurance plans down people's throats.

Health is a matter concerning the individual and the medical profession, and the hon. member for Hull is well aware of it. Why does the government not try to implement a health insurance program which would respect the personality and the privacy of the individual. The Créditistes suggest a solution: A health dividend should be granted to the individual so that he may, as a family man and as a citizen, obtain a program of medical protection from the insurance company of his choice, the representative of his choice, in order to go to the hospital of his choice and to choose his doctor.

When Canada becomes even more socialistic civil servants will choose our physicians for us. It might be an exaggeration in 1968 to say that civil servants, in a few years, through Medicare, will choose our physicians, but let the Medicare program take root in Canada and before ten years, doctors will have become servants of the state. They will have no say whatsoever about health, because the best among them will have gone. In fact they will be replaced by civil servants with no interest in the health of the Canadian people, because they will consider themselves as mere employees of the federal government and will not have any medical reputation to safeguard. Those doctors will be ordinary numbers, the same as the sick persons on a medical file card. The hon. member for Hull is a doctor and if he were not connected with a political party, he would agree with his colleagues who are practitioners and who want to protect the doctor's personal initiative and, at the same time, the health of each individual.

• (5:40 p.m.)

Canadian doctors are as interested as M.P.'s in protecting the health of the Canadian people. When we have incorporated national health in a program such as medicare, the objectives we are seeking to attain today will not only be beyond our grasp but will be further away still than the solution of the problems now facing us.

People complain today because the provincial governments have followed suit in the field of hospital insurance and a few years after such hospital insurance programs have been implemented, it is realized that the prohibitive costs are bleeding the treasury white and there is chaos in the hospitals. The same bleeding occurs in the other fields that the federal government has nationalized or socialized, and the same thing is true in the other countries of the world where health care was nationalized when health insurance programs that respect the individuals and the physicians, as medical practitioners, should have been chosen instead.

For these reasons, Mr. Speaker, we are not against this notice of motion, but we think it involves two things with which we should deal separately. One has to do with capital investment for hospitals, to which the federal government gives no assistance; that would not allow provinces to get capital investments, for hospitals, which would be less expensive. Then, a program, not medicare, but health dividend program, should be set up to enable individuals to be free, and to choose by themselves their health insurance program and their doctor; that would guarantee the individual freedom and initiative.

We are happy to say, Mr. Speaker, in connection with a notice of motion that does not appear very significant, but which is similar to the national health program so as to contradict those who now consider that if a medicare scheme administered by civil servants was passed, we would now be better off—we say that it is not true. Once we have implemented such a program, we will realize only a few years hence, that a medicare program will have greatly set back the cause of health in Canada to the benefit of thousands of other civil servants who, far from dealing with health, will administer the red tape.

[*English*]

Hon. J. W. Monteith (Perth): This notice of motion suggests that the government give consideration to the advisability of improving mental hospitals and t.b. sanatoria in the federal hospital insurance program. I recall that back in April 1957 when this act first came into being there was a qualification which made it rather difficult for the provinces to come into the hospitalization scheme. First of all there was a requirement that the majority of the provinces with a majority of the population in them be in favour of the scheme, and then there was a dispute as to which provinces might come in, and when. I recall having the honour in the autumn of 1957 of moving an amendment to the Hospital Insurance and Diagnostic Services Act to the effect that any province wishing to enter this scheme could do so. Within two years the ten provinces came in the hospitalization scheme. There were some discussions at the federal-provincial conference held in the autumn of 1957 and some of the provinces wondered if the federal government might not amend the act as it is suggested it be amended now. It was suggested that, if my recollection is correct and I do not have the figure in front of me, the federal share be some $70 million. Naturally it would be a great deal more now. The costs of the whole hospital insurance scheme have increased rapidly. However it was felt that as the Hospital Insurance and Diagnostic Services Act was a new venture, it should be given time to operate before it is judged.

I do not have the latest statistics at hand, but my primary interest is in mental hospitals. I think there have been tremendous strides in the last several years in the improved care of mental patients. I am sure all of us here recall the time when mental patients were practically put behind barred windows. There have been great changes in thinking in the last few years with regard to this particular disease—and I must point out that this is an illness just like any other illness. We treat it much more openly, and this is as it should be.

The hon. member for Hull (Mr. Isabelle) had a great deal to say about psychiatrists. He also suggested that the procedure of sending patients to hospitals for check-ups could be improved upon. At the risk of making enemies of the doctors who are members of the house, I wish simply to point out that one reason for the tremendous increase in hospitalization costs is the simple fact that to a great extent doctors use hospitals as their offices. Many patients are sent into hospital perhaps unnecessarily. I am not suggesting that doctors cannot look after their patients better in hospitals, but I think we might have escaped some of this galloping increase in the number of hospitalized patients if more consideration had been given to treating patients in their homes.

I think it is obvious that the government is not in favour of this notice of motion. They have given notice of their intent to make cuts in health grants and to make cuts in hospital construction grants. I put a question to the Minister of National Health and Welfare (Mr.

Munro) today with respect to this matter, but he was not in the house, and I hope later to get an answer to it. I asked him what the government is doing to ensure that we have a sufficient number of medical men in this country. Not only is this vitally necessary today, but it will be of great importance in the implementation of medicare which the government has brought in and which I claim was done in a haphazard way, without due consideration being given to the provinces and without allowing the provinces to have a say.

As I mentioned earlier, great strides have been made in the care of the mentally ill. The hon. member for Hull also made reference to psychiatric wards in general hospitals. Today patients in these wards are covered by hospitalization insurance. In this respect I would be inclined to favour this notice of motion. I feel that a mentally ill patient, no matter where he might be hospitalized, should receive as much care and be given as much consideration as one who is in a psychiatric ward in a general hospital.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I am pleased to congratulate my colleague from Winnipeg North (Mr. Orlikow) with respect to the resolution now before the house. It seems to me most unfortunate that mental illness has traditionally been considered secondary in importance to physical illness. A great deal of progress has been made in diagnosis and treatment. We all know, of course, that a great deal is yet to be accomplished before we can rest assured that psychiatrists have reached the degree of acceptance enjoyed by physicians and surgeons. It is true also that evolutionary factors in hospital management have helped alleviate the shortage of mental health care units. The provision for treatment of the mentally ill in nearly all general hospitals now operating in the land is, to a degree, justifying the earlier decisions to avoid the inclusion of mental hospitals and t.b. sanitoria in the federal hospital insurance program within the scope of the Hospital Insurance and Diagnostic Services Act.

• (5:50 p.m.)

At that time, it was considered to be preferable to deal with general hospitals, including the chronic, convalescent and rehabilitation institutions, on a basis of urgency. The costs of hospital care were becoming unbearably burdensome both to individuals and to the hospitals. It was of the utmost importance therefore to take immediate measures to alleviate this situation. In excluding certain types of hospitals, the government had regard for the fact that a certain amount of federal support was already being provided through the national health grants program to general hospitals.

In my opinion, Mr. Speaker, by far the most neglected area in our mental health program is child psychiatry. It would be most unfair to make a blanket charge that nothing is being accomplished but the development of child psychiatry in Canada has been slow and out of proportion with the incidence of deviant child behaviour. An urgent concern for the disturbed adult has obscured an approach to the problems of child pathology. I should like now to quote from a report on child psychology but I wish to emphasize that millions of dollars are being expended annually in the interests of physical and mental health while precious little has been made available for the treatment of a retarded child. Public spirited citizens have stepped forward to accept this challenge. I should like to refer to the Sunshine Occupational School at Chilliwack B.C., operated by the Society for Handicapped Children which is wholly supported by public subscription. I should like to refer also to the Good Shepherd School in Clearbrook, British Columbia, which functions in a similar way. I know there are many more in Canada, but I wish to make special mention of a school for boys in Langley, B.C., known as Chrisholme.

Eight years ago a group of businessmen in Vancouver became aware of the urgent need for a type of schools for boys possessed of mental faculties making them ineligible for public schools. They purchased a small farm at Langley in the Fraser Valley of British Columbia, and proceeded to develop a curriculum without benefit of precedent but with a sincere desire to succeed. The board of directors begged and borrowed to outfit the farm and school and just recently opened a new workshop. All the capital was publicly subscribed. Through the able management of Mr. Tom Hoeflok and his small but overworked staff, the school eventually graduated eight young men and found them jobs in various trades. They quickly became self-supporting respectable citizens. The first graduates commenced their positions in society 18 months ago and not one has left his job or been released. Another six are nearing the graduation date.

These young boys are referred to the school from child welfare and other agencies. I am

told that a long waiting list is depriving many young people from taking advantage of the benefits of Chrisholme and other institutions. I further understand that an average of 20 referrals a week is adding to the waiting list. It is estimated that 10 per cent to 35 per cent of these children will qualify for enrolment at Chrisholme, if facilities were available.

This sincere dedication to the welfare of fellowmen is most admirable and one cannot leave the Chrisholme premises without a feeling that much is still to be done to correct disparity and create a just society within the boundaries of Canada, in so far as retarded children are concerned. The provincial government finances the food and clothing, but all capital expenditures are raised by the board of directors of the school. I sincerely urge, Mr. Speaker, that the time to give serious consideration to national assistance for similar projects is now. We must recognize the human rights of the retarded child and find a proper place in the scheme of things for his attention and care.

The Canadian Psychiatric Association reported as follows in their submission to the royal commission on health service in 1962:

> When the problems of child development and behaviour disorders are uncovered they are legion —juvenile delinquency, the physically handicapped, the mentally retarded, the emotionally disturbed, etc., are areas of grave responsibility for the medical profession, for social agencies, for school authorities and for government. This responsibility falls to a large extent on the child psychiatrist.

I emphasize that this report was made in 1962, and the following paragraph is found therein:

> A child psychiatrist is a qualified specialist psychiatrist who has had an additional two years of training in children's work. In Canada approximately 60 psychiatrists work actively with children and of these less than half have received specialized training in child psychiatry. Most of the available children's services are thinly spread in densely populated areas.
>
> Most provinces have some outpatient services for children but few have residential facilities; services for disturbed adolescents are sparse and facilities for psychiatric approach for delinquency are minimal. The number of child psychiatrists devoted to the field of mental retardation—

The Acting Speaker (Mr. Béchard): Order, please. The hour for the consideration of private members business has now expired.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, may I just confirm to hon. members that tomorrow we will again be in committee of supply and take the estimates of the Department of Agriculture.

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

HOUSE OF COMMONS

Thursday, December 5, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. HOWARD (OKANAGAN BOUNDARY)—STATEMENT BY MEMBER FOR CAPE BRETON-EAST RICHMOND

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I rise on a question of personal privilege. When the integrity of a member of this house is impugned it is a matter of the greatest seriousness for all hon. members of the house. It is something that one would not expect an hon. member to do lightly and without concrete evidence to prove his statement.

Yesterday the hon. member for Cape Breton-East Richmond (Mr. MacInnis) made a series of vague and rambling statements purporting to show that civil servants were being placed under undue pressure because of my actions. Mr. Speaker, I would like to quote from the television transcript that was referred to by the hon. member for Cape Breton-East Richmond. As recorded on page 15 of the transcript, supplied by the C.B.C., I said:

> The backbencher has the most wonderful safety valve for getting things done and I discovered this accidentally, and that is, every week, every Wednesday morning, there's a government caucus and all you have to do is discuss it in that caucus and refer to a particular minister who hasn't acted the way you think he should act in getting a job done for one of your constituents. If a constituent has a problem, and you haven't satisfaction, you take it to the caucus.

That is the end of that quote, but after an interruption by one of the other panellists I said:

> I have the opportunity as a government member to put the minister on the spot in front of the Prime Minister who is sitting there—

Some hon. Members: Hear, hear.

Mr. Howard (Okanagan Boundary): After a couple of additional interruptions I said:

> The merest threat of doing this is enough to get civil servants all down the line making sure that they get that job done that needs being done because they know that if the minister is on the spot, then they're going to be on the spot.

Mr. Baldwin: You haven't got enough spots left.

Mr. Howard (Okanagan Boundary): Now, Mr. Speaker, it must be very obvious to any fair minded person that having made three references to the "minister" that this was the area of pressure I was talking about and the reference to "civil servants all down the line" was a corollary statement. For the hon. member for Cape Breton-East Richmond to take that reference out of context amounted to a deliberate distortion of the intent.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Howard (Okanagan Boundary): I believe it is very important that I state some views on the civil service. Since coming to Ottawa I have been most impressed—

Mr. Speaker: Order, please. I suggest to the hon. member that he should state his question of privilege. I suggest to him that this is not the occasion for him to state his views about the public service.

• (2:40 p.m.)

Mr. Howard (Okanagan Boundary): Mr. Speaker, I will delete any reference to my feelings for the civil service, but I would go on to say that when such instances affect my constituents I will make the facts known to the minister concerned. I make no apology to anyone for this action. Frequently we see in this house the use or abuse of the rule of privilege for narrow, frivolous and partisan purposes. Such abuse reduces the effectiveness of the house and abrogates the privileges of all its members. Our responsibility is to govern the country and to do so we must first govern our tongues.

Some hon. Members: Oh, oh.

Mr. Howard (Okanagan Boundary): My constituents sent me here to work for them with vigour, and to speak fairly and honestly in the House of Commons and outside. I am proud that my constituents in Okanagan Boundary expect high standards of performance from me. I deem it a privilege to follow this standard, and I recommend it to the hon. member for Cape Breton-East Richmond.

Some hon. Members: Hear, hear.

Television Statement by Member

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, when I rose yesterday to put the question I did to the Prime Minister I had one thought in mind; that was the code of ethics introduced in this house by the previous prime minister. Under that code of ethics no minister of the crown should be in a position where he may be threatened. Granted, we have had evidence in past parliaments and we have had evidence in this parliament where ministers of the crown in respect of furniture deals or videotape incidents have placed themselves in a position whereby external pressure might be exerted in order to bring about the result desired by anyone who is in on the know, and who is aware that what is being done should not be done; but when a member in this house says he is impugned, he is placing himself in a precarious position when he can be impugned by his own statements made during a broadcast, if anyone should want to refer to this broadcast and go through it.

Is it any wonder the image of this parliament is what it is when members continue to make reference to the wasted time of parliament? We see in the same transcript where another Liberal member referred to it as a very healthy parliament, and then said it should be abolished if it did not become efficient. Why don't they make up their own minds?

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): One minute they say it is a healthy parliament; the next minute they say it should be more efficient. The efficiency of parliament is the responsibility of the Prime Minister. He does not contribute anything to this responsibility when he gets up and runs from the house.

Mr. Speaker: Order, please. I wonder whether hon. members would not agree that we should not pursue this matter further. Certainly I do not wish to suggest that the debate should be interrupted in any way, but the hon. member did not follow up his question of privilege—and perhaps it is a good thing he did not—by a motion. Normally, there being no motion there can be no question of privilege; but in view of the fact that there was reference in his statement to the statement made yesterday by the hon. member for Cape Breton-East Richmond I thought he should be permitted to say a few words, but I hoped he would not say anything that would cause the debate to continue too long.

[Mr. Howard (Okanagan Boundary).]

Mr. MacInnis (Cape Breton-East Richmond): Mr Speaker, may I clarify one point. The hon. member for Okanagan Boundary charged deliberate distortion of his remarks. I should like to read from page 16 of the transcript provided through the C.B.C. If Liberal members are interested in this document I shall be happy to table it. I am quoting from page 16 to prove that there is no distortion of his words:

Howard: —You certainly have an opportunity to bring anything up in the house, but I have the opportunity as a government member, to put that minister on the spot in front of the Prime Minister who is sitting there saying—

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): —who is sitting there saying "halt . . ."

Mr. Howard goes on to say:

Not as effectively . . . not as often as I can do it. I can do it every week. And the merest threat of doing it—

Then Mr. Howard goes on to say:

This doesn't matter. The merest threat of doing this is enough to get civil servants all down the line making sure that they get that job done that needs being done—

Some hon. Members: Hear, hear.

Mr. MacInnis (Cape Breton-East Richmond): It's too bad the hon. member for Okanagan Boundary did not finish the statement, because from the applause which took place it takes a government member to threaten the civil servants.

Mr. Speaker: Order, please. May I suggest to the hon. member that for the consideration of the Chair yesterday he read long excerpts from a statement made by the hon. member. The hon. member has again quoted from what was said on Tuesday in this exchange on television. The hon. member is now giving us a third edition of the same thing. I am wondering whether by this time we do not know enough about what was said on that program.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I will complete the quotation and throw his own words back to the hon. member. He said:

—because they know that if the minister is on the spot then they are going to be on the spot. And I have used this and it has worked.

Some hon. Members: Hear, hear.

Mr. MacInnis (Cape Breton-East Richmond): From the applause of Liberal members it appears that their idea of democracy is to threaten civil servants.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. As I said a moment ago, and I trust the member will not go further, when the hon. member raised the matter yesterday I made the decision which I still believe is right, that notice should have been given. Notice was given today by the hon. member for Okanagan Boundary and that is why the matter was allowed to go on. May I conclude in this way, by saying if there was any member who was entitled to raise a question of privilege it was the Prime Minister, and he did not raise one. I understand we have another question of privilege.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, before Your Honour leaves this particular issue I should like to state I agree that the exchange between the two hon. members has been adequate, except in one respect. The hon. member for Okanagan Boundary today used the words "deliberate distortion". I submit to Your Honour that these words, without qualification, constitute an infringement of the privileges of any hon. member. Sometimes, the word "distortion", or other similar words, are used in the heat of debate and upon reflection, hon. members probably wish they had not used them. These words "deliberate distortion" were not used in the heat of debate or as a result of a situation generated in the house but read from a statement, and I suggest these are words the hon. member for Okanagan Boundary should withdraw.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. As the hon. member knows much better than I, there are a number of precedents and a number of authors who list long series of words considered to be unparliamentary. Basically I would think the suggestion by a member that there has been a deliberate intention to mislead the house is normally not acceptable according to the practices of this house. Although the hon. member may have wanted to say there had been a distortion, I am quite sure he did not want to impute to an hon. member an intention to deliberately distort something. I should like that hon. member to confirm my understanding of this situation.

Mr. Howard (Okanagan Boundary): Mr. Speaker, I regret that my words have caused so much pain to hon. members in the opposition.

Mr. Bell: Not members of the opposition, to the house.

Mr. Speaker: Order, please.

Unsatisfactory Reply to Question

Mr. Howard (Okanagan Boundary): I suggest that perhaps I could have worded my remarks more carefully. Out of respect to you, Mr. Speaker, I would withdraw those remarks.

• (2:50 p.m.)

Some hon. Members: Hear, hear.

Mr. Speaker: On this happy note we will go on to the next question of privilege.

[*Translation*]

MR. FORTIN—UNSATISFACTORY REPLY TO QUESTION ON ORDER PAPER

Mr. André Fortin (Lotbinière): Thank you, Mr. Speaker. On that happy note, I should like to rise on a less happy one concerning the Department of Justice.

A few months ago, I put the following question on the order paper:

> What works have been declared to be to the general advantage of Canada in the sense of the B.N.A. Act (section 92) since 1867?

The question is most important because it enables us to define the extent to which the B.N.A. Act was applied. Now, some civil servants in the department concerned called me later on to say that it might take a while to prepare a reply and asked me to kindly be patient.

Wanting to prove my good will, I accepted that reply. However, on October 21, 1968, as reported in *Hansard* on page 1577, I was told, and I quote:

> No list of such works has been maintained.

Mr. Speaker, my question of privilege is based on the type of reply the members, the representatives of the people, are given. The members endeavour to discharge, as best they can, their duties as legislators and controllers of the government and the administration; in order to do this, they want to be as well informed as possible. The government, on the other hand, tries to thwart their good intentions by refusing to give them the necessary information.

Mr. Speaker, as a true democracy cannot exist unless the members and the voters are fully informed, I complete my question of privilege by asking the Department of Justice to revise its position and give us this information.

Moreover, I propose that the house adjourn its business to force the government to tell the house what works have been declared to be to the general advantage of Canada. I make

Unsatisfactory Reply to Question

this a matter of principle, because the government refuses deliberately to answer the questions we put to it.

Mr. Speaker: The member, in conformity with standing orders, gave me written notice of the question of privilege he intended to bring up.

He claims that a minister did not give him the information requested through a question on the order paper, and he made a motion to adjourn the house.

The hon. member for Lotbinière quoted the provisions of paragraph 3 of citation 181 of Beauchesne's *Parliamentary rules and forms*, and I quote:

> A Minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.

If, according to standing orders, a member cannot insist, by way of a question of privilege, upon an answer, it is obvious that a question of privilege cannot be raised when an answer has been given, even if the hon. member is not satisfied with it. Therefore, I must conclude that the question of privilege is not in order.

As concerns the adjournment of the house for the purpose suggested by the hon. member for Lotbinière, I suppose his motion is based on standing order 26. If so, the subject of the motion does not meet the conditions for urgency listed in citation 100 of Beauchesne's *Parliamentary rules and forms*. Anyhow, whether it is a pure and simple question of privilege or a motion under standing order 26, the rules do not authorize me to present the hon. member's motion to the house.

COMMITTEES OF THE HOUSE

First report of standing committee on agriculture—Mr. Marcel Lessard (Lac-Saint-Jean).

[*English*]

Second report of standing committee on national resources and public works—Mr. Hopkins.

[*Note: Text of foregoing reports appears in today's Votes and Proceedings.*]

FOOD AND DRUGS ACT

REQUIREMENT THAT DRUG LABELS SHALL LIST INGREDIENTS

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill No. C-140, to amend the Food and Drugs Act (labelling).

Some hon. Members: Explain.

[*Translation*]

Mr. Anderson: Mr. Speaker, this bill provides that pharmaceutical firms must state clearly on the package the side-effects of the drug. At the present time, no legislation requires, for example, the manufacturer of an antihistamic drug to indicate that his products might slow down reflexes or induce sleepiness.

[*English*]

Motion agreed to and bill read the first time.

LABOUR CONDITIONS

NEWFOUNDLAND—UNEMPLOYMENT RESULTING FROM FISH PLANT CLOSING

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct this question to the right hon. Prime Minister because the Minister of Fisheries is not in the house. In view of the really shocking telegram from the Minister of Fisheries to the Newfoundland Fishing Trade Association this morning, in which the government appears to wash its hands of any responsibility to help prevent the imminent closure of a number of fish plants in Newfoundland affecting some 6,000 plant workers and over 10,000 fishermen, leading to a crisis of catastrophic proportions if it takes place, will the Prime Minister indicate whether he is prepared to request the Minister of Fisheries to attend the house today to answer questions? Will he also indicate to the house whether the information conveyed by the Minister of Fisheries to the Newfoundland Fishing Trade Association is a final decision of the government in this regard?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I think the Minister of Fisheries might be asked to answer the first part of the question tomorrow. I believe that yesterday he had already dealt with the question of existing and future programs, on which he will be making announcements at a future date. Obviously we cannot speculate

on whether future programs on which announcements have not yet been made will be government policy.

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Prime Minister. Since the Minister of Fisheries in his telegram announced that the new government policy would not take effect before the end of the current fiscal year, that is before next March, will the Prime Minister take steps to see to it that the Canadian government policy in respect of assistance to the Atlantic groundfish industry is announced immediately in order to avert a crisis whereby, as the Leader of the Opposition stated, thousands of Canadians would lose their jobs due to lack of action on the part of the government?

Mr. Trudeau: Mr. Speaker, I have nothing to add to what the Minister of Fisheries has said in this house repeatedly.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a supplementary question, Mr. Speaker. Will the Prime Minister indicate whether the fishing industry in Newfoundland and Nova Scotia can expect some immediate assistance now, before the government brings forward a policy in a few months' time as has been promised?

Mr. Trudeau: The answer is the same, Mr. Speaker.

Mr. Walter C. Carter (St. John's West): May I ask a supplementary question. Will the Prime Minister at least undertake to set aside a day, either Friday or Monday, in order that this very serious situation can be dealt with by means of a general discussion in the house?

Mr. Trudeau: Ditto, Mr. Speaker.

Mr. Stanfield: I wonder if the Prime Minister realizes the urgency of the situation?

Mr. Trudeau: Mr. Speaker, the minister is very actively working on this problem in his office.

Mr. Speaker: Is the hon. member rising on a question of privilege.

Mr. John Lundrigan (Gander-Twillingate): Yesterday, Mr. Speaker, prior to the little flurry, I did indicate that I was going to rise on a question of privilege to bring this matter to the attention of the house in such a way that we could obtain a statement from the minister today. Unfortunately I was not able to do so. All I am asking is, I wonder is there any way the house can obtain from the Prime Minister the sort of sensitive kind of understanding which would indicate to the people of Canada that the Prime Minister does not consider this to be a frivolous matter.

Mr. Speaker: Order, please. The hon. member will realize that the point he is raising now is not a question of privilege. It may be a grievance. There is a distinction between a grievance and a question of privilege. I doubt very much if the point he is making now qualifies under the rules of the house as a question of privilege.

Mr. Lundrigan: What I want to know is this. Could we get from the Prime Minister an answer to questions which have been posed to him in mannerly fashion, so we may get the sympathy of the federal government on this matter?

Mr. Lloyd R. Crouse (South Shore): I wish to direct a supplementary question to the Prime Minister or the Minister of Manpower and Immigration. In view of the large number of people on the Atlantic coast who will be out of work within the next ten days, numbering in the thousands, has either the Prime Minister or the Minister of Manpower and Immigration formulated any plans to take care of these people and provide them with some means of earning a livelihood?

Mr. Trudeau: The Minister of Fisheries was in the house yesterday and he will be here tomorrow. I would not claim, nor would the Minister of Manpower and Immigration claim, to know as much about fisheries as does the Minister of Fisheries. The minister is not here precisely because we have devised a system to permit ministers to devote more time to trying to solve problems that arise within their areas of jurisdiction, and this is exactly what the minister is doing now.

Mr. McGrath: Will you permit one further supplementary question, Mr. Speaker, to the house leader? Would the house leader give consideration, in view of the urgency of this matter, to changing the order of business and bringing forward the estimates of the Department of Fisheries tomorrow?

Hon. Donald S. Macdonald (President of the Privy Council): I have had conversations with hon. gentlemen opposite, Mr. Speaker, and there seems to be some agreement to having

those estimates considered on Monday. I would be prepared to hear again from hon. gentlemen opposite if they desire to change the order.

Mr. McGrath: This is an urgent question, and perhaps the government house leader could give the matter careful consideration and consider bringing forward the estimates of the Department of Fisheries tomorrow.

Mr. Macdonald (Rosedale): Perhaps the hon. member might like to address himself to his own house leader on this question.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I suggest to the Prime Minister that the house could at least take time to address itself to this crisis that is developing.

AIR CANADA

MEETING WITH DELEGATION RESPECTING WINNIPEG MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister. In view of the fact that at 5.30 this afternoon he is to meet a delegation of 50 or so men and women from Manitoba who are here with regard to the retention of the Air Canada maintenance base at Winnipeg, may I ask the Prime Minister a question on this subject? My question is this. Has a decision on this matter already been taken, or will the Prime Minister and those who are with him give serious and open consideration to the representations that will be made to the government this afternoon?

Right Hon. P.-E. Trudeau (Prime Minister): I believe it has been stated, Mr. Speaker, that any decision on this would be made and announced in the coming days after today's meeting.

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question for the Prime Minister, Mr. Speaker. Can the Prime Minister assure the house that in coming to this very important decision the principle of assistance in regional development will be of paramount importance before any final decision is made?

Mr. Trudeau: Yes, Mr. Speaker, questions of regional development have paramount importance in any decisions made by this government.

Mr. Thomas M. Bell (Saint John-Lancaster): May I ask the Prime Minister, with respect to this whole roster system, where the Minister of Transport is today, on a day which is very important to his department? May I also ask the Prime Minister—

Mr. Speaker: Order, please. The hon. member for Shefford.

Mr. Warren Allmand (Notre-Dame-de-Grâce): May I ask a supplementary question of the Prime Minister. Will he give full consideration to the recommendation of the royal commission on this subject during his consideration of it, before a decision is made?

[*Translation*]

AIRPORTS

MONTREAL—REQUEST FOR STATEMENT ON EXPANSION PLANS

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister.

In view of the fact that he is telling us about the significance of area development and transportation, could the right hon. Prime Minister tell this house today, in the absence of the Minister of Transport what are the important investments which have been planned and announced, concerning the Dorval air terminal, in Montreal?

Mr. Speaker: I would suggest to the hon. member that the information involved in his question should rather be given in the form of a statement on motions. If the hon. member wishes to follow up his question, he may give me notice for discussion at the time of adjournment.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO CONSTRUCTION OF BUILDING

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct a question to the Secretary of State.

In reply to a question I asked him on November 7 last, the Secretary of State assured the house that the work on Place Radio-Canada, in Montreal, would start as scheduled on December 1, and that he did not expect any further delay. Since the work has not started yet, would the hon. Secretary of State tell us exactly on what date the

work will be started at Place Radio-Canada in Montreal?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, in order to know the exact date, I would have to ask the C.B.C. Up to now, I know the contracts have been signed and the work should begin at any time now. I cannot give a specific date as requested by the hon. member, unless the information is given to me by the C.B.C. to which I shall direct the question.

Mr. Valade: I have a supplementary question, Mr. Speaker, to clear up the matter.

Since the minister replied on November 7 that it would be on December 1, would he be prepared to correct his statement and make another one as soon as possible in order to announce a definite date?

Mr. Pelletier: Mr. Speaker, I have already answered to that question and said to the hon. member that I was going to ask the C.B.C. about the exact date. If I am told by the C.B.C. that a date has been set, I shall give this answer to the hon. member, who knows full well that the Secretary of State does not make such decisions, as the C.B.C. is a crown corporation.

Mr. Valade: Mr. Speaker, another supplementary question.

Could the Secretary of State tell us why he undertook during the election campaign to set the date on which the work would begin in November 1968?

[*English*]

LABOUR RELATIONS

REPORT OF TASK FORCE INVESTIGATING INDUSTRIAL RELATIONS

On the orders of the day:

Mr. David Lewis (York South): I should like to address a question to the Minister of Labour. In view of the reports in this morning's press regarding the alleged contents of the Woods report, would the minister inform the house whether he has received the report of the task force and whether he will table that report for the information of hon. members?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, this task force to investigate industrial relations was set up on December 13, 1966, and it will no doubt table its report to the Privy Council office. I have made an investigation, since I too read that morning report, and find the official report of the Woods task force will not be the hands of the Privy Council office until the last week of December. I presume that the article in question, which was written by one of Canada's foremost labour reporters, is probably based on some working papers that came into his hands by means unknown to the Minister of Labour.

Mr. Lewis: A supplementary question. Will the minister assure the house that the report will be tabled? I understand, of course, that this body is a task force rather than a royal commission. I think this is a matter of great importance and that the report should be tabled in parliament, and I am wondering whether the minister would undertake to do so when the report is filed with the Privy Council office.

Mr. Mackasey: Mr. Speaker, I imagine this report is of importance not only to the Department of Labour but also to the departments of manpower and industry. I must remind the hon. gentleman that in the final analysis the decision to table it will be a matter for the Prime Minister himself.

Mr. Lewis: Then may I address my supplementary question to the Prime Minister, Mr. Speaker. May I ask the right hon. gentleman whether he could assure the house that the report of the Woods task force will be tabled. May I also ask him whether he will consider publishing and tabling some of the more important studies that were made for use by the task force.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will certainly consider both those suggestions, and with the advice of the minister will decide whether the report should be tabled. I think it would be unwise to make a blanket statement of principle, before reading the document, that it is in the interest of Canadians to table it. My hunch is that it will be, but I really cannot answer without knowing what is in it.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the very detailed and lengthy report given on pages 1 and 2 of this morning's *Globe and Mail* by Wilfred List, which makes it very evident that a great deal of information has been leaked to the press in advance of being given to the members of this house, will the minister make inquiries and find out why this

was done, how it was done and then report back to the house tomorrow?

Mr. Mackasey: I suggest that the hon. member would probably obtain a great deal more satisfaction if he discussed the matter with Dean Woods, whose responsibility it is to make certain that these valuable documents are not leaked or made available to the press prematurely.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the fact that this report and other reports indicate that certain labour unions had access to the Woods task force report—and I speak specifically of the head of the steelworkers union—would the Minister of Labour inform the house how this leak came to pass?

Mr. Mackasey: Mr. Speaker, the gentleman who has just been alluded to is one of the more responsible labour leaders in this country. When the task force was set up by the previous prime minister, in his wisdom he placed at the disposal of the task force eight individuals, four from labour and four from management, to advise and help the task force to produce a respectable report. This gentleman to whom reference has just been made is, as I say, one of the top labour leaders of this country, and I am sure his advice would have considerable weight and be well appreciated by the task force.

Mr. Thompson (Red Deer): Mr. Speaker, my question was whether it was the prerogative of the gentleman about whom we are speaking to publicly divulge decisions taken by the task force, as obviously has been the case.

HOUSE OF COMMONS

ABSENCE FROM HOUSE OF INDUSTRY AND FISHERIES MINISTERS

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister concerning the whereabouts of the Minister of Industry, Trade and Commerce. When the minister brought in his estimates on Monday some of us were left with some concern. Yesterday I rose on a question of privilege relating to what he had said, and I have been following the roster and waiting with some anticipation for his appearance. He was scheduled to appear yesterday and again today. I wonder whether he will appear tomorrow.

[Mr. Hees.]

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Industry, Trade and Commerce is in Victoria, British Columbia, at a water policy seminar where he is replacing the Minister of Energy, Mines and Resources, who is in hospital.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, could the Prime Minister say whether he has received any word from the Minister of Fisheries as to whether he is coming back to the house today? I was in conversation with the minister and he told me he would contact the Prime Minister.

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

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Would the hon. member kindly resume his seat? If the hon. member wants me to rule on this question I would have to rule that it is not usual to ask the Prime Minister where a minister is, or whether he will be in the house. I do not think that is a proper question. The question may be asked, but the hon. member cannot insist upon a reply.

Mr. Lundrigan: Then I should like to apologize, Mr. Speaker, for asking my question in that way. What I really meant to ask was whether the Prime Minister had received any indication from the Minister of Fisheries that he would return to the house, as he indicated to me he would during a telephone call a couple of minutes ago.

Mr. Speaker: Order, please.

[*Later:*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, might I ask the Prime Minister whether the Minister of Fisheries is actually prohibited from attending the house this afternoon, and whether the Prime Minister considers it more important for the Minister of Fisheries to be in his office rather than in the house explaining to the house, and accounting to the people of Canada through this house, a telegram on an urgent matter of public importance sent by the minister this morning?

Some hon. Members: Hear, hear.

Mr. Trudeau: Mr. Speaker—

Mr. McGrath: Find your way out of that.

Mr. Trudeau: That won't be hard. The minister is not prohibited from attending

the house, Mr. Speaker, and he does not have to ask permission to be in the house. And I doubt whether that is what he has just said on the phone.

Some hon. Members: Oh, oh.

Some hon. Members: A question of privilege.

Mr. Speaker: Order. Are hon. members rising on a question of privilege? I believe this would be the occasion upon which to remind hon. members that in my view the procedure with regard to questions of privilege is being seriously abused in this house.

Some hon. Members: Hear, hear.

Mr. Speaker: I am not about to suggest that questions of privilege should not be raised, but hon. members know that according to long standing practice and the rules of the house it is only in extreme circumstances that questions of privilege should be raised. Hon. members may argue that the circumstances at this time justify a question of privilege being raised. What I am saying now does not necessarily apply to hon. members who may wish to raise a question at this moment. But I thought this was a good occasion upon which to express in a general way a reminder that hon. members should be mindful of precedents in this regard.

This having been said, I will call upon the hon. member for Gander-Twillingate to proceed with his question of privilege.

Mr. Lundrigan: Thank you, Mr. Speaker. May I say I agree entirely with your ruling, though I think the need for it stems from the kind of rules and procedures which are being forced on us by this government. The Prime Minister has accused me of lying.

Some hon. Members: No.

Mr. Lundrigan: He said he seriously doubted whether my report to the house was correct. I will only say I would not doubt the word of the Prime Minister if he made an observation in the house; I would go along with it, although I might be inclined to do otherwise. I was in conversation with the Minister of Fisheries. The minister indicated to me that he intended to contact the Prime Minister but wondered whether, in view of the roster system, he should come into the house this afternoon. I am confident from the remarks of the Minister of Fisheries on other occasions that he would like to be in the house on days when he is not listed.

Some hon. Members: Hear hear.

Mr. McGrath: The Prime Minister has doubted the word of another member of this house, and under the rules he must withdraw.

Mr. Speaker: The hon. member is not correct in his interpretation of the rules. It is against the rules to say that another member has wilfully misled the house or been untruthful. On the other hand, I will admit to the hon. member who has raised this point of order that all hon. members have to accept the word of other members. This is a basic rule. This cannot even be the subject of discussion. It is a basic principle that every member of the house has to accept the word of another member, and it should not even be the subject of discussion.

Mr. Carter: The Prime Minister wanted to speak on the point of order.

Mr. Speaker: If the hon. member for St. John's West would allow me, I have made a ruling and I suggest we go on to another subject.

[*Translation*]

INDUSTRY

QUEBEC—REQUEST THAT EASTERN TOWNSHIPS BECOME DESIGNATED AREA

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to direct my question to the hon. minister of Forestry and Rural Development.

Would the hon. minister tell the house whether or not he proposes to look into the economic situation of the eastern townships, especially the Sherbrooke area which is in dire straits. Does the minister expect that the area will be included in future among the designated areas?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, it is certainly our intention to study the economy of every region in Canada, including Sherbrooke. However, no decision will be taken as to making Sherbrooke a designated area until the new legislation is passed

Inquiries of the Ministry

[*English*]

FREIGHT RATES

MARITIME PROVINCES—REQUEST FOR DELAY IN PROPOSED INCREASES

On the orders of the day:

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my question was for the Minister of Transport who, according to my revised roster, was supposed to be here today. I do not know where he is, but in his absence I will repeat my question of November 21 to the Minister without Portfolio, who at that time said he would take it as notice.

I wonder whether the minister could now give me an answer to the question of what will be done to forestall expiration of the freeze on Atlantic freight rates in March 1969? Does the minister have an answer to that question?

Hon. James Richardson (Minister without Portfolio): No, Mr. Speaker, but I will relay that inquiry to the Minister of Transport.

Mr. Thomas (Moncton): A supplementary question, Mr. Speaker. When the minister catches this elusive minister would he also—

Mr. Speaker: Order, please. If the hon. member has a supplementary question he should ask it.

Mr. Thomas (Moncton): Mr. Speaker, my supplementary question for the Minister without Portfolio is this. At the same time would he try to get an answer to my question of October 31 regarding what is being done to forestall the planned lay-off of Canadian National security police in the Atlantic region?

Mr. Richardson: Yes, Mr. Speaker.

HIGHWAY SAFETY

INQUIRY AS TO SAFETY STANDARDS FOR TIRES

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question on transport that I should like to direct to the attention of the associate minister or the Minister without Portfolio. Having in mind news reports concerning tires that were given safety tests in the United States and that failed such tests, and in view of the fact that some of these tires are imported into Canada, I should like to ask what is the situation in this country. Do we have a testing bureau for tire safety, and are tires that have been proven faulty called back?

[Mr. Marchand (Langelier).]

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

Mr. Mather: Ten o'clock.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—COVERAGE GIVEN TO POLITICAL PARTIES

On the orders of the day:

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

Recently I asked him if the report he had promised to table about the use and allocation of time granted by the C.B.C. to political and non political movements and others was ready and he replied that he did not know what I was talking about. Now that he does, I would like to ask him if he still intends to promise such a study of the C.B.C.'s policy in that particular field, before the representatives of the C.B.C. give evidence before the parliamentary committee on broadcasting, films and assistance to the arts, as announced?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, on the contrary, I think the hon. member is pretending to know that I know, but apparently he does not know that I do not know, because I tried to find in *Hansard* —and, in that respect, I had some help—a sentence of mine that could have led him to believe that a report would be tabled in the house on that matter, and I have not found anything to that effect.

On the other hand, when the matter was raised I remember having told the hon. member that the facts that gave rise to his question were not clear, that it could not be answered until he had explained those facts, and I find that he did so during the debate on the adjournment motion but, at that time, unfortunately, I was away from the house and Canada. The C.B.C. prefers to give evidence before the committee on broadcasting, films and assistance to the arts, because it is a complex question and the C.B.C. would like to be able to explain and discuss it with hon. members who sit on the committee.

Mr. Fortin: Mr. Speaker, I do not know if the Secretary of State knows that you do not know that he does not know, but we get nowhere with questions like that.

I should like to ask my question again, since he does not give me any answer, and

I ask him if it would be possible to know the C.B.C. policy.

Mr. Speaker: Order. The hon. member admits he has already asked that question and I wonder if it is appropriate to put it a second time.

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

I should like to point out as humbly as I can before the Secretary of State that this is an extremely important question, which is highly complex, and that before it is looked into by the committee on broadcasting, films and assistance to the arts, it would surely be advisable to have the C.B.C. state its policy, if it has a policy—

Mr. Speaker: Order. I must interrupt the hon. member. This is a debate between the hon. member and the minister, and I do not believe it would be advisable to go any further.

[*English*]

PUBLIC SERVICE

DISMISSAL OF COMMISSIONAIRES FOR LANGUAGE REASONS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I wish to direct my question to the Prime Minister. It is prompted by an article which appeared in today's press to the effect that 12 English speaking veterans of the Canadian Corps of Commissionnaires are being displaced from security jobs because they are not bilingual. Is this the new policy of the present government?

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State. Did the Secretary of State consult with his colleague the Minister of Veterans Affairs before he extended the thanks of a grateful country and fired the commissionnaires who were serving in the various government buildings coming under his jurisdiction?

DOMINION-PROVINCIAL CONFERENCE

ATTENDANCE OF OPPOSITION MEMBERS AS OBSERVERS

On the orders of the day:

Mr. David Lewis (York South): I should like to ask the Prime Minister a question relating to the forthcoming federal-provincial conference. I ask it in the light of information I have received that the government of Ontario will be accompanied by members of opposition parties as observers at the conference. Would the Prime Minister inform the house whether this will also be arranged in the case of members of opposition parties in this parliament?

Right Hon. P.-E. Trudeau (Prime Minister): I have stated that we planned to reserve places for members of opposition parties and for members of the government caucus during the public debate at the constitutional conference. I have requested this of the provinces as a procedure for the conference. There has been no objection to it so far, and I think this would be agreeable to everyone. Perhaps that is even more certainly the case if the information just conveyed to me is correct.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister whether he will arrange to have the working papers drawn up by the federal government for the conference released now so that members of the opposition who will be attending the conference as observers and, indeed, the Canadian public generally may have an opportunity to give the fullest consideration to these papers prior to the conference.

Mr. Trudeau: I would be very anxious that this be done. Discussions to that effect are proceeding now between officials of the federal government and of the provinces who have been meeting for the past three days in preparation for the conference on December 16. There has been no word given to me yet of any decision that might have been reached by the officials at that meeting. I do feel, like the Leader of the Opposition, that it would be to the advantage of the public if all parties at this conference could agree to release their position papers before the conference, but if that is not done I think we will press very strongly to release them afterwards.

TELEVISION

REPORTED DIRECTIVE TO C.B.C. RESPECTING EDUCATIONAL BROADCASTING

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Secretary of State. Is he in a position to tell the house what directives he has issued to the Canadian Broadcasting Corporation to provide ETV facilities on an interim basis? I ask

this question in the light of the minister's suggestion on October 24 that he would be taking this course, and also in the light of the recent acceptance by the C.R.T.C. of applications for ultra high frequency channels in Toronto and Montreal.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): In reply to the first part of this question dealing with school telecasts and the specific case of Alberta, the matter is at the present time under consideration by the task force on educational television.

Formal instructions have not been given because the study of this particular case has not yet been completed. As to issuing licences for use of decimetric waves, the relevant instructions have already been given to the C.R.T.C. which is to give priority to educational television with regard to the use of decimetric waves.

[*English*]

Mr. Dinsdale: Mr. Speaker—

Mr. Speaker: May I take ten seconds to suggest to hon. members that again today we may be running short of time, and I see many members rising who may be anxious to ask questions which I am sure are very urgent and important. I would ask the indulgence of hon. members in connection with supplementary questions.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the Secretary of State.

Since his return from Latin America did he have the opportunity to examine the statement of the Quebec premier, Mr. Bertrand, on educational broadcasting and does the government intend to review its position and issue a licence to the Quebec government?

Mr. Pelletier: Mr. Speaker, I have examined the speech of the Quebec premier. On the other hand, the government does not intend to review its position concerning the issuance of licences for educational television.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Could he tell us whether it is true that, when he last met with Mr. Lucien Saulnier, the executive chairman of the city of Montreal, he showed the latter out of his office?

Mr. Speaker: The hon. member is asking the Prime Minister to confirm what, I imagine, is a press report and the rules of the house do not allow questions of this kind.

[*English*]

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is directed to the Secretary of State and/or the Minister of Labour. It has come to the attention of members of the house that members of the Company of Young Canadians do not participate in or receive any benefits under the Unemployment Insurance Act. Will either minister re-examine this unjust situation in order that the meaning of the just society may prevail?

GRAIN

ASSISTANCE IN MOVEMENT OF DRYING EQUIPMENT

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question I would like to direct to the Minister of Agriculture. In light of the serious situation now facing western grain farmers in connection with the pile-up of damp and wet grain, have any representations been made by the governments of the western provinces to the federal government for a cost sharing program to cover the cost of moving drying equipment into areas where it is urgently needed? If so, what action is being taken?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there have been discussions between the federal Department of Agriculture and the departments of agriculture of all three provinces affected, not specifically on the point that the hon. gentleman raised but indeed including all ways that the two levels of government can be helpful in resolving this problem. There is much more that could be said about this matter, but inasmuch as the estimates of the Department of Agriculture will be under debate fairly soon perhaps we could discuss it then.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in view of the fact that on November 27 Your Honour indicated that the question of damp wheat is one of continuing emergency I wonder whether the right hon. Prime Minister might not prevail upon the Minister of Industry, Trade and Commerce,

who answers for the wheat board, to be in the house and available to answer questions on this problem, which obviously is not going to be resolved in one day.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as I explained a moment ago the minister is presently in Victoria discussing the question of pollution in general and of water in particular, and this is also very important. He is replacing the Minister of Energy, Mines and Resources who, unfortunately, is still in hospital. The Minister without Portfolio from Saskatchewan will be replacing the Minister of Industry, Trade and Commerce, but on questions such as wheat I am sure the Minister of Agriculture would be glad to answer if questions were directed to him.

Mr. Korchinski: As a supplementary question may I ask the Prime Minister if he could not possibly have someone available on all occasions to answer questions since this is a very critical problem?

Mr. Benson: The Minister of Agriculture is here.

Mr. Korchinski: He is here today but he is gone tomorrow.

BROADCASTING

INQUIRY AS TO REQUEST FOR TAPES OF NEWS BROADCASTS

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct a question to the Prime Minister. Did any member of the task force on government information services, set up by the right hon. gentleman, request the Canadian Radio-Television Commission to ask Canadian radio stations to provide tapes of their news broadcasts to the commission?

Right Hon. P.-E. Trudeau (Prime Minister): Not that I know of, Mr. Speaker, but I will gladly inquire.

IMMIGRATION

RECRUITING OF TRAINED PERSONNEL FROM DEVELOPING COUNTRIES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the recent report by Secretary General U Thant of the United Nations that Canadian immigration policy is jeopardizing the position of developing countries by draining away their trained and educated citizens, and in view of the statement by the Canadian ambassador to Venezuela, Bruce Rankin, to the United Nations that countries like Canada should agree not to actively seek educated and trained immigrants from under-developed countries, is the minister considering steps that will halt this criticism which is coming from many developing countries throughout the world?

Hon. A. J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I have not examined these comments but it is not the policy of the department to recruit actively in areas where the governments concerned wish to retain their skilled people.

INDIAN AFFAIRS

REPORTED INSTRUCTION IN RIOT TECHNIQUES

On the orders of the day:

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development or, in his absence, to the Minister without Portfolio associated with that department. Can the minister now answer the question put to him on November 7 relating to a report that Canadian Indians are being taught riot techniques and, if so, can he say who is instigating this?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the Minister of Indian Affairs and Northern Development is meeting with several provincial Indian leaders at this time. With regard to the question asked, there is no information available to us in that respect.

Mr. Mazankowski: As a supplementary question—

Mr. Speaker: May I have the co-operation of the hon. member also. The hon. member for Edmonton Centre.

OIL

CONSIDERATION OF BRIEF OF INDEPENDENT PETROLEUM ASSOCIATION

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, this question should be directed to the Minister of Energy, Mines and Resources but owing to his unfortunate absence I will direct it to the Prime Minister. Is the government considering the adoption of

the proposals of the Independent Petroleum Association of Canada contained in the association's brief which was presented to the cabinet recently?

Right Hon. P.-E. Trudeau (Prime Minister): I will have to take notice of this question, Mr. Speaker.

Mr. Paproski: I would like to ask a supplementary—

Mr. Speaker: Order, please. I must bring to the attention of hon. members that the question period has expired. In fact it expired a few moments ago. I have noted with vigilant eye those members who have tried to get the floor, and I shall make it my duty to recognize them at the earliest possible moment tomorrow.

Mr. J. P. Nowlan (Annapolis Valley): I rise on a point of order, Mr. Speaker. I waited patiently during the question period because I did not want to interrupt the flow of thought that occurred during a portion of the period. I was hoping that before the conclusion of the question period the Minister of Transport or his stand-in, the Minister without Portfolio, would be able to give me the answer the minister said he would give me in respect of the National Harbours Board decentralization study. Perhaps this might simplify matters tomorrow, since the committee is to meet to deal with the report which the Minister of Transport indicated he might very well table in the house today.

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I was in Winnipeg yesterday, but from reading *Hansard* in this regard I believe the Minister of Transport said he would read the report overnight.

Mr. Bell: Where the hell is he?

Mr. Richardson: I receive a lot of questions about the Department of Transport, but I do not know what the minister's bedtime reading is.

BUSINESS OF THE HOUSE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the President of the Privy Council if he would give us the business of the house for the remainder of this week and next week.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, as hon. members know, we will be in committee of supply today dealing with the estimates of the Department of Agriculture. Tomorrow we will return to committee of supply to deal with the estimates of the Department of Transport. On Monday it is proposed that we deal with the estimates of the Department of Fisheries and upon their conclusion the resolution dealing with the fresh water fish marketing corporation. On Tuesday it is proposed that we deal with the motions to concur in the reports of the procedure committee. It is anticipated that this will take several sitting days next week. Therefore it is difficult to predict what will be the order of business for the balance of the week. The business that would follow, however, would be the resolution preceding the anti-dumping legislation after the completion of the consideration of the reports of the committee on procedure and as soon as the report is received from the finance committee.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the Canadian agricultural services co-ordinating committee, contributions to the Commonwealth agricultural bureaux, and a contribution to the agricultural economics research council in an amount equal to one half the contributions to the council from other sources during the fiscal year but not exceeding $50,000, $8,520,375.

The Deputy Chairman: Order. House in committee of supply. Revised estimates of the Department of Agriculture for the fiscal year ending March 31, 1969. Vote No. 1 will be found at page 8 of the blue book and the details thereof are listed at page 11.

Hon. H. A. Olson (Minister of Agriculture): Mr. Chairman, first I should like to express my appreciation to the chairman and members of the standing committee on agriculture for the manner in which they conducted the examination of the estimates of the Department of Agriculture before the standing committee. As hon. members of the committee are aware the examination of these estimates was concluded today. Again, I wish to commend the officers of the committee and the members of the committee for the manner in which they conducted this examination. I might also say at this time that at the beginning of the examination of these estimates before the standing committee I made a statement in general terms relating to the estimates. I am

prepared now to perhaps make a supplementary statement relating directly to the estimates, but there is some indication from reading *Hansard* that there may be some subjects hon. members would like to discuss relating to agriculture that may not be included in my remarks. I, of course, would be happy to do what I can in respect of answering questions in those areas.

The agriculture committee over the past several weeks has given close scrutiny to the 1968-69 estimates of the Department of Agriculture. I do not believe that any useful purpose would be served by my reviewing or recounting the testimony given by myself and by officials of the department. I do think, however, it would be useful if I were to refer to the objectives of the Canada Department of Agriculture and to summarize quickly some of the recent developments in departmental programs.

The Department of Agriculture exists to serve the farmer and in so doing serves all Canadians. We cannot have a healthy Canada without a healthy agriculture. Farm products are very important earners of foreign exchange. About 40 per cent of the work force in Canada is employed in the growing, processing and distribution of agricultural products. A continuous supply of high quality food at reasonable prices is essential to the high standard of living that Canadians expect as a right. That continuous supply will only be there so long as we have people—farmers—willing to produce it. And they will be willing to continue to fill our shopping carts only if they can receive reasonable rewards for their work. Our ultimate objective is that a farmer should be able to make the same return on his capital and labour as if he invested them in the industrial side of our economy. Surely this is not an unreasonable goal.

The 1968-69 main estimates of the Department of Agriculture, exclusing the Canadian Dairy Commission, the Farm Credit Corporation and the Canadian Livestock Feed Board, total $255.8 million. This is an increase of approximately $1.7 million over the previous year if you allow for supplementary estimates, contingency allocations and organizational adjustments. If all these other items are included there is an over-all total of some $284 million.

Provision has been made for increased expenditure under the agricultural stabilization program. The spending for crop insurance premiums will continue to rise as more provincial plans come into operation and more farmers take advantage of this federal-provincial program. Reductions appear for emergency assistance programs instituted to help farmers who suffered income losses due to adverse wheather conditions. Cheese premiums have been dropped, total cost of hog quality premiums has been reduced, and less has been allocated for capital programs in the research branch and Board of Grain Commissioners.

With the funds voted to it by parliament, the Canada Department of Agriculture administers some 30 statutes. The department, among other things, conducts research, grades and inspects farm products, prevents and controls outbreaks of disease and pests in our crops and livestock, and carries out a great many other activities to help solve the farmer's production and marketing problems. The department employs 9,000 people at some 200 separate establishments from St. John's to Victoria with a total of 1.5 million acres of land and 2,500 laboratory, farm and office buildings.

In the interest of brevity, I will not go into detail on the many continuing programs of the department. I shall be happy to answer questions on these areas later. Rather I would like to say a few words on some of the newer ventures on the agricultural scene in which the department is giving leadership.

• (3:50 p.m.)

First may I mention the national farm management service. Farm management involves the use of economic and business principles in determining that combinaton of land, labour and capital inputs on the invididual farm that will yield maximum net income. In the development of the national farm management service the main emphasis is on using an ultra-modern, yet simple, record keeping and analysis system through the use of a computer. It is hoped this service will encourage a more sophisticated approach to farm business management, show profitability of enterprise within a farm business and identify, diagnose, and help to solve some management problems for individual farmers. The department expects to spend some $250,000 in the development of the national farm management service this fiscal year and, in collaboration with the provinces, bring the system into operation in 1969 or early 1970. I might say in addition that when I mentioned those dates I did not intend to indicate they were target dates for some of our pilot projects but

that there will be a gradual build-up of this service as the system and expertise to administrate it are developed.

The task force on agriculture is making good progress toward the delivery of a preliminary report to serve as the basis of documentation for the Canadian congress on agriculture which the government is convening in Ottawa from March 24 to 27, 1969. The congress will provide all groups in agriculture an opportunity to discuss the work of the task force and to give their views on the problems facing the agricultural industry and on the development of national goals and long range programs and policies to deal with these problems.

Action has already been taken on the government's decision to work toward the establishment of a national grains council which would embrace all aspects of the grain industry. I am convinced that this proposed council can play a very important role in co-ordinating program planning, promoting research, establishing effective liaison between industry and government, and assisting in developing export possibilities.

These are only a few illustrations of the department's recognition of the forces that constantly change the face of Canadian agriculture and necessitate continual review of policies and programs in response to the current needs of a dynamic industry.

Mr. Stanfield: Mr. Chairman, I had hoped that the Minister of Agriculture on his return to the house and on this first opportunity he has had for some time to make a statement of any consequence with regard to agriculture would give us something concrete as to the plans of his department to attack the very serious problems facing the agricultural industry in Canada. I hope he will excuse me if I cannot discuss this subject this afternoon in the same bland manner he has followed in introducing his estimates. I feel it is necessary to speak rather bluntly about some aspects of agriculture.

No responsible Canadian can help but be concerned about the conditions and prospects of agriculture as we are about to enter a new year. In the east there is a steady and continuing decline apparently unchallenged and unrecognized, at least by any sign of useful action by the minister. It is worsened by such developments as the flood of cheap United States corn into Canada. This has been brought to the attention of the minister time and time again, yet he failed to act until it was too late. Indeed, he has dawdled, and the result is that now it is estimated that imports of corn are up 20 per cent this year in Quebec and the maritimes and amount to over 40 per cent of the market.

Throughout the agricultural sector of the economy there is a more pessimistic and uncertain climate than we have seen for some time. Farm receipts are down from last year and it is expected they will be slightly up next year, to about the 1967 level. Is this real progress under the circumstances? Farmers are worried about markets and about the future, and they are holding off borrowing and investing. One can see this in the reports from farm machinery companies. Sales of farm implements were down in 1967 and in the first six months of 1968 by 20 per cent and there is no sign of any upturn.

While income remains static, what is happening to expenses? It is fair to say that farmers have taken an especially brutal beating from inflation. The composite index for goods and services used by farmers rose by 6.4 per cent last year. According to information produced at the federal-provincial conference on agriculture last week, this year's increase will be about the same. This represents an increase in farmer's costs. Machinery prices were up by 3.1 per cent last year and a larger increase will be realized this year when the final figures are in. Prices of important building materials will be up by over 7 per cent when the final figures are in for this year. One could go right through this list. The squeeze gets tighter; yet the government continues to hang loose.

During the past crop year exports of our main grains, with the exception of barley, all declined. Wheat and flour exports fell to 336 million bushels compared with 515 million bushels the previous year, and 31 per cent below the average for the previous five years. Canada's percentage of the world wheat trade is estimated to have fallen from 29 per cent in 1966-67 to 23 per cent in 1967-68, while that of the United States rose from 37 per cent to 39 per cent.

What is the contribution of the Minister of Agriculture to all this? As far as I have heard he has simply criticized farmers for half-learning the lessons of economics and half-learning lessons of business reasoning. He said this to the farmers:

> Some farmers have convinced themselves that their economic situation is worse than it may be in fact and the government is under pressure resulting, in part at least, from the farmers' misunderstanding of economic principles.

When the minister spoke of the Ontario corn growers he said:

> I suspect that many farmers who protested to Ottawa that they were losing money on corn production did only half the calculation. They charged up their land at appreciated values when calculating their costs but did not record the appreciation as income.
>
> This is but one example of the fuzzy economic reasoning which often confronts and plagues farm policy makers. It is a luxury we can scarcely afford if we are to put the Canadian agricultural industry on a sound business footing, which must be the eventual aim of long term farm policy.

The corn market is inundated by cheap United States corn and the farmers have protested to Ottawa. Yet the minister, in effect, accuses them of cooking their books.

The president of Federal Grain Limited of Winnipeg estimates that 800 million bushels, or 72 per cent of the grain crop, are either tough or damp. He is quoted in Monday's *Globe and Mail* as saying the situation in western Canada is even more critical than we first thought. He has suggested there are 458 million bushels of tough or damp grain, 25 million of which are still standing in the field; 181 million bushels of barley, 176 million bushels of oats and 11 million bushels of oilseeds. I understand that the optimum capacity of all farm dryers is about 300 million bushels between now and spring, and that the total of commercial capacity and on the farm capacity is only half the total of damp grain predicted by the Federal Grain Limited survey to which I have just referred.

When the hon. members for Qu'Appelle-Moose Mountain and Lisgar sought an emergency debate the other day the minister was not able to be in the house and the government was, in the words of one western newspaper, "tongue-tied". I suggest that the persistence of the Prime Minister in treating the ministers as schoolboys, forcing them to stay out of the house on certain days, has caused real frustration not only among opposition members in this house but in the country generally.

• (4:00 p.m.)

Some hon. Members: Hear, hear.

Mr. Stanfield: It has caused real frustration in particular to members who are trying to do their job for the people they represent. In no case is this more true than of the members who represent the prairie provinces of Canada. On Monday and Tuesday all ministers with any responsibility touching agriculture are under strict orders from the Prime Minister not to apear in the house—the Minister of Agriculture, the Minister of Industry, Trade and Commerce, the Minister without Portfolio from Saskatchewan, the Minister of Transport and his assistant, the Minister without Portfolio from Manitoba.

The hon. member for Huron has asked whether the government will assist in the transportation of grain drying equipment now available in eastern Canada, to help alleviate the problem. What is the decision? Nobody knows. I hope the minister will give it to us today. The hon. member for Qu'Appelle-Moose Mountain has raised the possibility of acreage payments to assist in covering the cost of drying the crop. There has been no answer. I hope we will receive an answer today. The hon. member for Crowfoot has asked about placing additional equipment at the inland terminals. The Minister of Industry, Trade and Commerce says he will take it under consideration.

The damp grain problem was brought to the attention of the government in early November. Action has been delayed; it has been reluctant. The minister need not shake his head. I have been sitting in the house and have watched the complacent reaction of ministers week after week as this crisis developed until it finally came to a head last week. As I say, Mr. Chairman, action has been delayed; it has been reluctant, it has been half-hearted. They have finally got the Lakehead facilities operating 24 hours a day, six days a week. But when the hon. member for Mackenzie inquired yesterday the Minister without Portfolio had to admit that they are not ready to operate seven days a week because negotiations are still under way with the unions. This could have been done and ought to have been done weeks ago.

The hon. member for Mackenzie asked last week whether arrangements could be made to have the commercial dryers come to the elevators dry the grain already purchased and transfer it to the annexes to relieve some of the congestion. Again, he was told the matter would be taken under consideration. The government has had to be prodded, pushed and hounded to accept even an awareness of the problem and then to take some reluctant action. This is made all the more difficult and frustrating by the irresponsible practice of ministers working a three-day week as far as the House of Commons is concerned.

Mr. Olson: We work seven days a week.

Some hon. Members: Oh, oh.

Mr. Stanfield: They are here to work, to account to the people of Canada only three days a week, and sometimes not even that. With regard to the markets for grain there have been some very disturbing developments. I have already pointed out the fact that our share of world markets has been going down. Second, and potentially of very grave importance, is the fact that countries which might be counted as new markets for Canadian production have revolutionized their own production. That is the striking case in Asia. This year there has been a record production of wheat and rice throughout Asia.

Let us consider India as an example. The total food grain crop in India is officially estimated at 100 million tons this year. This is 32 per cent above the level of last year and is a very fortunate development for that great country. But the startling statistic in India is that this year total food grain crop production is fully 12 per cent above the previous record. This may be in part due to the weather, but Canada and Canadians will be hiding in a fool's paradise if they fail to recognize the tremendous impact of technology upon the capacity of Asia to produce cereals. Farm practices there have improved. This is a great thing. There have been great improvements in the effectiveness and availability of fertilizer, and new high-yielding cereals like the new varieties of wheat from Mexico have changed the future of agriculture in Asia. Therefore they have a profound effect on our future. We are in danger of losing some of our traditional markets and face the prospect of new markets becoming more difficult.

The government has revealed no plan to meet this serious, long term market problem. It is not even showing any awareness that it exists. The minister this morning, and again this afternoon, stated that there would be a Canadian conference on agriculture in March. When I had a previous responsibility a former minister of agriculture told me two or three years ago there would be a Canadian conference on agriculture. Some two years later the minister says it will be held in March.

Mr. Olson: You now have the date.

Mr. Stanfield: Yes, we have the date after two years of talking about it.

Mr. Olson: I have not been minister that long.

Mr. Stanfield: We have a few details, but it appears that the conference will be little more than an expansion of the ministerial conference on agriculture which has been held every year. Of course, it will be larger. I think there are one or two every serious weaknesses about this conference. In the first place, agricultural producers themselves may be forced to take a back seat at the conference. About one-third of the 400 or so people who will attend will represent producer groups, but the minister has said there will not be a single representative of the producer groups on the steering committee.

Mr. Olson: There is one.

Mr. Stanfield: I am glad to be corrected.

Mr. Horner: There is not a representative of the producer groups.

Mr. Stanfield: The minister can correct me after I have finished if what I say is wrong. I hope I am wrong in this regard. The minister says he has invited the National Farmers' Union and the Canadian Federation of Agriculture to designate one delegate between them. But he knew full well when he made that request that it would be difficult and unlikely that these two producer groups would agree on a nominee. They have nominated one each, and as I understand it the minister decided to accept neither. Again, I hope I am wrong.

Mr. Olson: You are right now. You cannot accept two nominees for one position.

Mr. Horner: Why don't you make another position?

Mr. Stanfield: If this is the minister's approach to the problems of agriculture, that he cannot accept two delegates from producer groups because he has established only one position, God help the farmers of Canada.

Some hon. Members: Hear, hear.

Mr. Stanfield: I am afraid that unfortunately this is typical of the government's habit of ignoring the producer groups on agricultural matters. There are other weaknesses in a conference of this kind. Certainly it is just not enough. We have serious problems in Canada, of course, and we also have great and grave problems outside Canada concerning markets. I believe the situation is serious enough to warrant Canada taking the lead in initiating a world wide investigation of crop and market prospects in the next decade, an investigation, perhaps a conference, which will involve all the countries of the world including, of course,

mainland China, with the purpose of letting Canada and other producer countries know what is ahead for them in terms of markets. This investigation or conference should tell us what crops will be in greatest demand, what we can best produce and what new marketing arrangements might need to be considered.

These are only a few of the questions which must be answered if we are to plan our own production effectively. We need to know what will be developing in other countries, what they will require and what they will produce. There is a new ball game in world agriculture. We cannot continue to act as though nothing had changed. The present failure to keep markets is bad enough, but the prospect of having potential new markets cut off is very serious indeed.

• (4:10 p.m.)

What disturbs me particularly is the extraordinary casualness and complacency of the government toward agricultural problems. I recognize that these problems are not easy, that in fact they are extremely difficult. The farmers are confronted with the need for a very rapid adjustment to changing conditions. Of course you can only operate effectively in terms of effective long term government policy and not piecemeal policies, certainly not conflicting policies, of governments. Farmers are compelled to make growing investments in their farms to be effective and competitive. They must make increasingly long term heavy commitments. Of course, we had some government policies which enabled the farmers to make these commitments and indeed encouraged them to do so.

If the minister talks about his task force and his conference in March and if, for example, he asks me to be patient and to wait for the outcome of the work of the task force or the outcome of the conference, I want to ask him why he could not persuade his colleague, the Minister of Finance, to wait before he adopted policies which will be very detrimental to agriculture in this country. The changes in estate and gift taxes which the Minister of Finance announced are bound to have a very serious and detrimental effect on the family farm in Canada, and I would like to see the Minister of Agriculture dispute this. The Minister of Finance lowered very substantially the exemptions on estate and gift taxes thereby catching farmers with moderate sized farms and vastly increasing their difficulties, not in making transfers to their wives but in effecting any continuous operation of the farm by the family.

What is the main problem of the family farm? Surely it is to acquire enough capital to be competitive with the big operator, to carry the heavy debt and to pay it off. Obviously this is a growing load on the family farmer in view of the increasing capital that the farmer needs to be competitive today. Obviously the difficulty in securing capital and accepting heavy debt restricts the development of the family farm. The farmer spends all or most of his life trying to get out of debt. In view of the vast increase in the amount of capital that a farmer needs today, it is becoming increasingly difficult for a young man to get started on a farm that is really competitive. Some young men of exceptional ability can do so, of course, but fewer and fewer are in fact able to do it because of the increasing amount of capital that is needed, the increasing load they must assume to do so, and the increasing difficulty they encounter in obtaining the amount of capital necessary to do so.

I say that the government must decide whether it wants the family farm in Canada to be an institution or whether it is content to let things go to the large corporate organizations. I suggest that one serious effect of the proposals of the Minister of Finance will be to destroy the family farm through the years as a continuing institution which is able to hold its own in competitive agriculture in Canada. They will make it more difficult for the family farm to continue and to have under its control adequate capital through the years. Fewer and fewer farms will survive if the Minister of Finance goes ahead with his present proposals.

I ask the Minister of Agriculture through you, Mr. Chairman, whether he accepts this prospect and whether he accepts the proposal of the Minister of Finance to make these tax changes which bear so heavily on the family farmer in Canada. We know that this government has two policies in foreign affairs, one sponsored by the Secretary of State for External Affairs and the Minister of National Defence and another sponsored by the Postmaster General, with the Prime Minister trying to sit in between and enjoy the best of both worlds. This may make the Minister of National Defence and the Secretary of State for External Affairs look a little uneasy, but at least the Secretary of State for External Affairs has invited the public to write in and tell him what the foreign policy of Canada ought to be. I do not think the Minister of Agriculture would dare do that, but at least he is calling a conference.

When I speak about the burden that the Minister of Finance is placing upon the family farm I am not speaking about the very wealthy people of Canada or the very wealthy farmers. The Prime Minister has expressed concern about the problems of the very wealthy, and while he has done that the Minister of Finance has socked it to them. In other words, here again the government seems to have two policies. We have a two-China policy and it seems that the government is developing two policies in virtually every area. I think the Minister of Agriculture is in favour of family farms while the Minister of Finance is doing his best to destroy them. The Minister of Agriculture increases the assistance given to the small farmers, but a few weeks later the Minister of Finance announces measures levying an increased toll on family farms. There is no use mincing words. This is clearly an instance of the government working at cross-purposes. It is impossible to justify, and all that can be said for it is that it will have disastrous effects on agriculture in Canada.

I repeat that I am not speaking of the relatively few large, wealthy farmers in Canada who operate either directly or through corporations. I am speaking about the family farmers about whom the Minister of Agriculture has expressed great concern over the years. I ask him to give some real leadership, not only in this house but also in the government, by standing up for the farmers and telling the Minister of Finance quite frankly what the effect of his measures is. If the Minister of Agriculture is not able to present to this house or to the country constructive measures to help the family farmers in Canada, at least the government can hold its hand and resist the temptation to strike the family farmer over the head the way the Minister of Finance has.

So I say, let us not hear from the Minister of Agriculture nice platitudes and general statements of goals but a willingness and preparedness to fight within the government for agriculture in Canada and to fight the Minister of Finance on the vicious policy that he has adopted. It is all very well to have think tanks, computers, task forces and conferences, but let us have a little common sense and a little consistency.

Mr. Gleave: Mr. Chairman, I appreciated the remarks of the minister as we commenced our discussion of the estimates. I appreciated his statement that quality food at reasonable prices is a right of all Canadians. It is certainly a right of Canadians to have food and it is probably their right in a society such as ours to have that food at reasonable prices, whatever that may be. Along with that right of the Canadian consumer must go the right of the farmer to have a reasonable return for an hour's work, the right to have a reasonable return on the capital he must invest in his enterprise if it is to be an efficient agricultural enterprise, the right to have a return equal to that of his urban cousin who eats well because the farmer produces well. This is really the crux of the situation with regard to agriculture today, whether or not the farmer is going to receive an adequate return on his labour and capital, and whether his rights are going to be given equal consideration with the rights of the Canadian consumer.

• (4:20 p.m.)

There is no question but that the consumer has been well served. About a month ago I referred in this house to information from the Department of Agriculture which indicated that the consumer could buy more butter, more eggs, more milk, more meat, more of all these products for an hour's work based on wages in the manufacturing industry than he could some years ago. I wonder whether the farmer can buy more of urban production for an hour's work than he could that many years ago?

Today we find that farmers are still working a 12 or 14 hour day, although working days of this length are a thing of the past in industry. I have observed this year after year on prairie farms. After I was here a short time I drove out to see a friend of mine in the Ottawa valley. I arrived there about sundown on a Saturday, and it seemed to me that I might have been back on the prairies. This was a modern farm, but I had to go out into the fields to look for the farmer. There was a field of corn over half a mile long which looked like a wheat field on the prairies. The corn stood taller than I am, but of course I am not a very tall man. The lights were on in the milking barn which was modern and up to date. Where was the farmer? He was out in the field at sundown harvesting the corn and his wife was driving the truck. This is the kind of working day the farmers still have, even though some of them have well organized, well financed farms such as there are in Ontario or in some areas of Saskatchewan. These are the only two areas about which I have any personal knowledge. I have

been in the province of the Leader of the Opposition, but I would not presume to make a judgment on agriculture in that area. These are the things about which we have to be concerned in connection with agriculture if the farmers are to continue to provide food for Canadians at reasonable prices, or indeed in some respects to provide food at all.

Someone mentioned the corn growers and stated that if pressure is kept on them they may not continue in that business. In some sectors of agriculture we may very well reach the ridiculous position of importing food which we could very well produce ourselves because of our resources in land and people. A report appeared in the *Globe and Mail* to the effect that W. A. Stewart stated farm income results may be hard to swallow. This is the minister of agriculture of the province of Ontario speaking. The article goes on to quote the minister as saying that he hopes the report of the committee which they set up will bring new vitality to the industry and a new appreciation of the place of agriculture in the total economy of Ontario. This minister believes there must be a thorough review and that we must rectify the serious problems that now exist in agriculture.

One can look at the report of the recent outlook conference held here in Ottawa and find that a decline is forecast in the income of farmers. The farmer's income is down already but there is going to be more of the same. The forecast if for a 6.4 per cent increase in the price index of the goods and services used by farmers. A similar increase occurred in this index last year, but the farmers are supposed to be content with static prices for their produce.

According to the *Globe and Mail* of November 19 the federal Minister of Agriculture criticized the farmers on several counts. It is the privilege of the minister to say what he thinks, I suppose. I hope this newspaper did not misquote him because if he was misquoted it would certainly be unfortunate. The *Globe and Mail* is read by many city people and they would believe these comments made by the minister. The minister accused the farmers of basing their case on half-learned lessons in economics and of ignoring social and economic realities. He said also that the farmers had bought tractors that were too large and paid high prices for land.

Let me say to this house that over a long period of years the farmer has merely been reacting to the economic circumstances in which he has found himself. The farmer does not make the economic laws or the economic circumstances in which he has to operate. He reacts to the industrial society in which we live and to the economic laws of that society. Over the years I have listened to economists, some of them employed by government and some of them in universities. They have said that the answer to the problem of the farmers is one of scale, that what we need in this industry, as in all other industries, is to get bigger and then we would be over the hump. Is this not what the farmer is doing when he acquires land and buys the equipment with which to operate a farm? If there is going to be a change in the economic laws under which the farmer operates, well and good. Let us define those laws and let us know where we are going.

I believe we will have to reorient ourselves to some extent in agriculture. Reorientation may be the key to our success in that on the North American continent and in the other advanced countries in the world farmers have proven they have the ability to produce farm products. But given this ability to produce food, Mr. Chairman, the fact is that we find market prices depressed.

• (4:30 p.m.)

I should like to say something about the present situation in western Canada, which is now widely reported in the eastern press. It usually requires a fair-sized boom or a fair-sized disaster on the prairies to attract the attention of the press in eastern Canada. But the disaster in the west has now reached such proportions that it is receiving a great deal of attention. Unfortunately, Mr. Chairman, we have been slow to react to it. It is only in the last week or so that we have seen the Canadian Wheat Board and others meeting together to discuss what can be done in terms of handling, drying and transporting grain.

I should like to refer to a few of the headlines that have appeared in the *Western Producer*, a western farm paper. According to the edition for October 10, only 56 per cent of the crop had been combined. According to one of the main news stories in the October 17 edition, proper drying temperatures are important. In that issue there is an article dealing with drying grain and how it should be done. According to the October 24 issue, little dry grain is to be seen. As far back as October 24, well over one month ago, the forecast was made that in Saskatchewan and Alberta there would be very little dry grain as a result of weather conditions.

It also appears from the November 7 edition that the farmers are joining together to take the crop off the farms and that 90 per cent of the crop has been combined. This article goes on to say that most of the grain is tough or damp, and indicates that the farmers are not happy about the high moisture level. An article that appeared in the November 14 issue is headed: "All Is Not Well With The Grain Crop". Then it goes on to indicate that grain drying is in full swing. Another heading in the November 21 issue reads: "Poor Condition Of Grain Is Causing Terminal Slowdown".

I have made reference to these reports, Mr. Chairman, in order to indicate that the present situation has not been a sudden development, that it has been building up in the prairie provinces for over a month and a half. Hon. members have continually asked the government what action it proposes to take, whether it is prepared to meet the situation and to take steps to meet the calamity that is being faced in western Canada. Sometimes spokesmen for the government have said that yes, information is going out on grain drying, yes, we are waiting to see what the developments are.

We on this side of the house, have twice asked for a debate on this matter. One request came from our party and the other from the party of my hon. friends to my right. Such a debate would put the situation before the government and the government would be able to tell hon. members what it proposes to do to meet the problem. But no, Mr. Chairman, this situation has been allowed to drift until now we begin to get reports about an impending disaster.

According to these reports, the minimum amount of grain that is out of condition is 200 million bushels. According to one of the private grain companies, the maximum amount could run to around 400 million bushels of wheat, barley, coarse grains and so on. Such a loss would be very expensive. Unless we do something about it losses will be substantial. We are facing an emergency, a disaster that could be compared with some of the worst disasters that Canada has suffered in times of floods or similar calamities. We must stop and consider the enormity of the situation. Nobody's house has been flooded or burnt down; nobody's farm has been washed away. But on farm after farm in western Canada lies grain which, unless conditioned and dried, will be lost.

[Mr. Gleave.]

I plead with the government, to make available substantial amounts of aid and to take action to meet this situation. I think it would be perfectly reasonable to suggest that the government share 50 per cent of the cost of drying grain locally. This could run to a fair amount of money, but far greater losses will occur if the grain is not dried.

If farmers are unable to deliver their grain they will not receive any cash. Therefore, how can they pay the people who are going to dry their grain? They are strapped for money. I suggest that a program be worked out which will effectively help our farmers. Such a program is long past due. What is required is a controller to co-ordinate the operations of the different agencies, the activities of the Canadian Wheat Board and the Board of Grain Commissioners and the transportation system in order to get the most from these various agencies.

• (4:40 p.m.)

The task before us now is to co-ordinate the work of farm dryers at the local level so as to use all the facilities possible. Even so, it will be difficult enough because we are approaching the time of year when local farm drying is at a disadvantage owing to weather, temperature, humidity and so on. We must fight the difficulties. It will cost us more money, but we must accept the fact. We should be providing advice as to the operation of these dryers. Insufficient information has been provided. I know this is so because I was obliged to telephone Winnipeg for information which should have been available at the local grain elevator.

According to a report in a newspaper the other day 30 per cent of the grain which has already been dried has been spoiled. This is a shocking figure, a shocking loss. We should help by providing off-site drying facilities. An all-out effort must be made or else the losses will be substantial. The situation calls for the fullest use of extension staffs of the universities and of the Department of Agriculture, as well as the Board of Grain Commissioners. I know that in Saskatchewan and parts of Manitoba steps have been taken in this direction. University people and experts from the departments of agriculture are beginning to work together to pass on information to the farmers.

Mr. Atkinson, the president of the farmers' union, says flatly that the government will have to provide substantial assistance to farmers if a disaster is to be avoided. In his

view such assistance is justified; farmers are justified in seeking financial assistance for the drying of grain on their farms. He told the union's annual meeting that the Canadian Wheat Board had indicated that such assistance would be justified by admitting that terminal drying facilities and sales commitments were not adequate to handle an estimated 350 million bushels which needed drying this year. He went on to say that wheat exports are a major source of national revenue and that financial assistance is therefore warranted. It was, he said, a national problem and a national emergency.

I want to say something now about the marketing outlook for wheat and other grains. According to a statement by the responsible minister, possibly 1,300 million bushels will be marketed over the next three years. At the present time we have about 1,200 million in sight with this year's crop. I think it is encouraging that some of the press in eastern Canada is taking note of the fact that grain is piling up and that we may well need new devices for moving it. The *Financial Post* says:

> Signs of a shift come from Jean Luc Pepin, Minister of Industry, Trade and Commerce. When addressing the Saskatchewan Wheat Pool recently, he said current practice was being examined "in accordance with the Prime Minister's promise to review credit facilities available to improve the competitive position of Canadian wheat."

What this portends remains, of course, to be seen. Can we move more grain if more credit is provided? I think we can. We have lagged behind in doing some of the things we ought to have done. We should, by now, have recognized the Republic of China and expanded our sales in that market. It is there and in similar countries that our expansion must take place. We should extend credit, we should aid the developing countries and we should make an all-out effort to sell other grains such as rapeseed. We should set a full-scale selling and promotion program going in countries overseas.

I regret that the United States achieved a tariff advantage over Canada with regard to soybeans over Canadian rapeseed during the Kennedy negotiations. We should move to correct this state of affairs because rapeseed and feed grain such as barley would, if moved in volume, take some of the pressure away from the wheat marketing situation.

It has been suggested that the farmers should move into livestock. This takes money. It takes credit, and credit has become expensive. A farmer needs a great deal of courage to borrow large amounts at the present time to diversify his operation.

The minister mentioned the establishment of a national grains council some time in the future. I do not know how far in the future this will be. It is now six months since the Prime Minister said in Winnipeg we were to have a grains council. It is already December. For my part I shall be frank and say I do not see why we need one. It will probably be the fifth wheel on the wagon. We already have the Canadian Wheat Board and the Board of Grain Commissioners. We have the research agencies of the National Research Council and the Department of Agriculture. Could the work of these various bodies not be co-ordinated so that we might achieve what we want to achieve in the way of selling grain and doing the necessary research? Is the Department of Agriculture, and the Department of Trade and Commerce for that matter, so lacking in competence that they need to call together people from their offices in Winnipeg to tell them what to do?

We have able men in the Canadian Wheat Board. One of them even felt it necessary to draw attention, at one of the farm meetings, to the job the Canadian Wheat Board was doing. Surely he must have felt himself under some kind of pressure when he did that. Here are some of the things he had to say with regard to wheat marketing, and I quote from the speech he made to grain growers at Regina:

> I refer to demands that broad selling policies should be more aggressive. Aggressiveness carries a great many connotations, many of which are desirable and necessary. For example, we must constantly seek out and develop markets; we must give a customer the service he demands; we must maintain the standard of quality he requires, and we must try to meet competition from other suppliers.

Later he says:

> I can say this: there is not a buyer of Canadian wheat in any market of the world who has not been personally contacted and who is not personally known by members or senior officials of the board. This is a very big plus in our marketing operations. I don't think any other exporter could make that claim.

Mr. Treleaven went on to say:

> Let us look briefly now at the second demand for flexibility. In the sense used by the critics it is easy to define. It means, simply, lower prices.

I have been reading from a statement made by one of the Canadian Wheat Board commissioners to a meeting in western Canada. These men have done a good job in marketing wheat. Just what is the national grains

council going to do? I put a question on the order paper asking for the terms of reference. I was told they had not yet been decided. The reply came from the Department of Trade and Commerce which is not represented here today. I asked how the board would be financed. The answer was: nobody knows, yet. If the wheat board needs more staff and more money, why not say so? If we think more needs to be done in the field of research, why do we hesitate to beef up the amount we are putting into the laboratory services of the Board of Grain Commissioners? After all, this is their job. They already have the power under the act. They have the know-how and their staff includes some excellent men. But, as I have said on earlier occasions, the amount of money they have been allowed to spend has remained static while the industry which they serve is growing. We should have increased the amount of money in their hands if what they had was not adequate to meet the need.

• (4:50 p.m.)

The Deputy Chairman: I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

The Deputy Chairman: Has the hon. member leave to continue?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Gleave: I shall take only a few minutes and I thank the committee and yourself—

The Deputy Chairman: I regret that I heard some noes.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I do hope it is not because of me that my honourable friend was kept from continuing his remarks, but in any event, I thank you sincerely for giving me the opportunity to express a few opinions on the important matter now under study.

I shall deal with the matter rather briefly, because the estimates of the department were studied in committee fairly seriously, I would even say very seriously. I merely wish to point out to the honourable Minister of Agriculture (Mr. Olson) that we attach great importance to the development of Canadian agriculture so that our country can, as much as possible, feed our own people as well as those of countries less fortunate than ours.

We agree that the years we are now going through are very difficult, and that the government has very complicated problems to solve. That is why we do not want to be harsh with the government; we merely want to work with it in an attempt to find together the most advantageous solutions, not only for the farmer, but also for all the people concerned who live on the progress of agriculture, when there is progress.

Some industries can provide employment to the extent where agriculture can order from them the goods that are necessary to agricultural production.

Mr. Chairman, the agricultural economy has grown difficult, I would even say cruel, at times. In addition, there are the serious effects which stem from a regrettable confusion between political and economic functions and I should like to make a distinction.

We invite the people to reflect on the various fields of responsibilities. Farmers themselves have their very own responsibilities, which they must accept by doing their utmost to lower the cost of their production in order to market top quality products at a price commensurate with the purchasing power of the majority of the people and also to compete, if needs be, with the goods from abroad.

Until a few years ago, family farms met the needs of the times fairly well, but because of the rapid industrialization of our country, agriculture must go through a complete transformation which, even though we accept it, must nevertheless meet the requirements of the commonweal and social justice. Because of its unreliable nature, agriculture demands from all those who are engaged therein the most absorbing activity, whether it is the farmers themselves who are concerned, or the governments, at all levels. As things are progressing in our country, a greater number of means are available to us to carry out more efficient operations on the farm; in a way, we are becoming the victims of this progress.

I listened, since I came into this chamber, to speeches of members representing various areas of the country and everywhere, when we speak of agriculture, we realize that we are caught in a squeeze where we can hardly breathe.

We often hear about the problems of the western grain producers, and I am happy about that, because that gives me an opportunity to become acquainted with the problems facing us across the nation.

Progress is also a factor which forces us to increase production costs. In fact, quite recently—I would not like to criticize the legislation passed by the house—we saw an increase in the interest rate on credit made available to farmers, which is another thing that might increase production costs.

Because of the competition from products coming from countries which produce at a lower cost, it becomes more and more difficult for the farmers to hold on without the help of the governments. That is why I think it is urgent for the state to assume fully its responsibilities and to reform our system so that it will take into account the needs of the farmers who will just have to give up their farms to allow for the changeover from family farming to commercial farming.

Let us take, for instance, the large number of dairy producers who had to give up their production last year and this year. An even larger number might have to do the same thing next year. What will happen to them? Do we really have the right to forget about them without giving any thought to their fate and that of their dependants?

I know that the main task of the Canadian Dairy Commission is not to find jobs for all the farmers who have to give up their farms for one reason or another, but it is a fact just the same that, because of the too severe regulations of that commission, which are necessary, I agree, to try to keep the dairy industry alive in Canada, the producers are faced with very serious problems. That is why I think it is urgent to reform our economic system as soon as possible in order to develop to a greater extent industries in rural centres, to absorb that manpower that will help to create goods of all kinds to meet the needs of the people in Canada and also those of people in underdeveloped countries.

Increasing the estimates of the Department of Agriculture would surely be a very good investment, because that would strengthen that sector of the economy and automatically create more jobs, because when agriculture is doing well, when agriculture can survive in a normal way, the farmers are better able to absorb the manpower available on the spot.

• (5:00 p.m.)

I have on hand some statistics, which seem to be accurate enough, to the effect that in the city of Montreal there are 105,800 families, that is 55.6 per cent of the total number, that are destitute. Now, if those figures are accurate, they represent 1,062,000 persons.

In my opinion, it is in the interest of the whole nation to take all the necessary and conceivable means in order to try to solve the agricultural problem, whether in western or eastern Canada, so as to prevent the Canadian people, those who have to give up farming for want of income, from going to our cities and increasing the number of the poor who thus become a burden of the state.

When all the efforts have actually been concentrated, in the Canadian Dairy Commission, the Farm Loan Board or the Board of Grain Commissioners and in all other government services, when we have succeeded in taking our bearings, we will have to make sure that the settlement of a problem in a certain area will not create others in other areas. This is why I think that we will have to work increasingly together, in order to avoid, when some action is taken, creating a problem elsewhere. This is what is going on at the present time unfortunately and I do not want to blame the minister nor the government agencies.

The Canadian Dairy Commission, for example, must assume its responsibilities. I understand the problem quite well and I congratulate the commissioners for discharging their responsibilities so well. However, I would like to call the attention of the minister to a matter which does not come under the jurisdiction of the Canadian Dairy Commission, that is the estimates available to them. Among other responsibilities, the commission must forecast the requirements of the Canadian market and make the distribution while considering the estimates made available by the minister. Mr. Chairman, I am convinced of one thing: if we really want to make an effective contribution to solve the problems of our agriculture, it will be necessary, when preparing the estimates of the Department of Agriculture for 1969-70, to consider seriously giving it a bigger share of the public monies of Canada, so that farmers will get better prices and the agricultural industry will remain efficient and will help solve other problems in other sectors, by providing employment opportunities and thus fighting unemployment.

I know that the government is now making efforts to help those who are forced to leave the agricultural field by making available to them retraining courses which will facilitate their readjustment to other areas of the economy. However, this is not enough. We should do a lot more in that direction.

I have on hand many letters from farmers telling me about their problems. I do not want to mention specific cases and names, but should the minister wish to read those letters, I would willingly make them available to him, at his convenience. For instance, one farmer wrote me that he had made an application to attend a retraining course, in order to further his knowledge in agriculture, but that it had been rejected. As he does not want to live on social welfare, he writes: "I do not want to live on public assistance. I do not want unemployment insurance. What I want is to earn a living by my own work. I want to be useful to my family and to society." And he adds: "If I am not alowed to take courses by which I could try and earn some money this winter, I shall have to sell some of my milch-cows and, in the spring, my situation will be worse than in the fall."

Mr. Chairman, I am mentioning this case to prove how painful is the plight of some farmers, who are doing their best to be efficient and play their part in our Canadian society.

This leads me to say that we need reforms, because our present economic system is in a bad shape. It must be reformed by orderly men, by people willing to work seriously with a view to establishing order and social justice, so as to make it possible, for those who have enough courage, to work and earn their living, thereby contributing to the development of their own country. Otherwise, the present economic system will, in my opinion, be transformed and destroyed by agitators like those we hear about every day. In fact, we are witnessing protests, rebellion against authority. There is a feeling of unrest and we should not take advantage of that to stir up passions. On the contrary, this should arouse due reflexion on our part, so as to make us assume seriously our responsibilities in order to bring about necessary reforms before it is too late.

Mr. Chairman, in concluding my observations, I express the hope that my remarks will help to solve those serious problems.

[*English*]

Mr. Pringle: I shall be very brief, Mr. Chairman, in my short dissertation. As a new member I should like to say that I have listened with a great deal of interest to the more experienced farmer members. While I have been here I have learned a great deal about the problems of farming and of the farmers. This is most interesting to me because I have spent my entire life engaged in farming or the industries related to farming. I am concerned about all the statements that have been made concerning the family farm. It has been suggested that the family farm is disappearing, that it is going down the drain. It has also been suggested that by some magic formula the reason for this is government action or inaction. I have been working with family farms for a good many years and I submit that the family farms are not going down the drain.

There are many family farms across Canada. In my constituency in British Columbia I would say that 90 per cent of the farms are family farms. What has disappeared is the old concept of the chicken on the manure pile type of farm where there were a few chickens, a pig or two, a cow in the barn and a horse to pull the plow. This is disappearing and will continue to disappear because the farmers of Canada are not the discredited people that some of the farmer members here suggest they are when they tell us of the terrible plight they are in. Their plight is not all that bad. If the farmers whom I know were sitting in the gallery today, I do not think they would approve of everybody standing up and saying that we must give them this and that because they just have to have it. We are pressuring the farmers. We are telling them how to farm and how to run their businesses.

The point I should like to make, is this: I wish people would forget about this business of the government should do this and the government should do that. No matter what the government has done, is doing or will do at some other time, I should like someone to state what the reasons for the problems of the farmers are and enumerate them, because there are reasons. I cannot remember doing business in Canada when there was not a surplus of every kind of farm product. We have been promoting and encouraging farmers to produce in surplus. This is a way of life. They have been producing to the benefit of the secondary industries. Do not blame the secondary industries for that. From childhood on we are told to buy as low as we can according to the market and to sell for as much as we can according to the market. This is the way business is done. If we overproduce we are in trouble. I thank the divine person who put the bug in somebody's ear that there should be a marketing board for grain because I would hate to think what would have happened over the years if the

surplus of grain produced in western Canada had been dumped on the market like it was a few years ago and the price established according to the amount of grain offered on the world markets of that day. Some order has now come out of chaos, and grain farmers by and large can look back over the last few years without being too unhappy about the situation.

• (5:10 p.m.)

I notice that members have a great deal to say in this house about grain farming and wheat. I lived in Alberta for a good many years. I was not engaged in grain farming specifically but in an allied industry. As a matter of fact, I sold them the products to which they fed the grain. The industry in which I was engaged assisted in using up a lot of grain. All across the dominion of Canada there are industries allied with farming, and many of these are not exactly dependent on the grain business. The poultry industry, the hog industry and the turkey industry are quite large. The beef industry is, of course, dependent on and supplementary to the grain industry on the prairies. Various other industries from Vancouver to Halifax are associated with the grain industry.

It seems to me there is a quiet revolution taking place in the agricultural industry. I am wondering whether we really understand want to do about it. People want to produce their products at the lowest possible cost. They are gathering together at seminars in university rooms, in lodges and in church basements for one purpose, to figure out how they can keep the cost of production down. It was not too many years ago when it took 16 weeks and four pounds of feed to produce each pound of flesh on a broiler chicken. Today we can do this in eight weeks with two pounds of feed or less. What has happened to this saving in the cost of production? It has gone to the consumer and the consumer is paying less and less for products. Neither I nor any member of this house can blame the government because we are living in a private enterprise economy. Thank God that is the situation in this country.

There is a quiet revolution taking place. There are places right across Canada where people are doing something about the situation. They are gathering together and forming economic units, although not in the manner described so often and so eloquently by the hon. member for Crowfoot. These people are getting together and deciding how to take advantage of provincial legislation by forming into what they refer to as marketing boards which in fact are procurement commissions. They plan production in relation to the market and they produce what housewives want to buy. They sell this produce to secondary industries at their prices and then forget about it. They leave the marketing to the secondary industry.

We have heard all kinds of rumours about marketing boards, but I think we should be very careful we do not adopt the concept that we as producers should suddenly blossom out as people who understand marketing and distribution. We should remain with product planning and be satisfied to be paid in relation to production costs and forget about subsidies. We do not want handouts all the time, and I could get plenty of testimonials as far as this is concerned.

Mr. Bigg: That's a good trick if you can do it.

Mr. Pringle: Let me try to answer the hon. member by referring him to the British Columbia broiler marketing board. This body came into existence about eight or nine years ago. Before that a farmer might have received 20 cents a pound, and in those days if you sold by live weight you barely received a subsistence price. A farmer might have found himself with many chickens and receiving only 15 cents, 16 cents or 17 cents a pound. The marketing board established planned production and today these farmers are receiving prices based on the cost of production and they use secondary industry. They do not need farm improvement loans because they are able to go to the banks to borrow money. There are chicken men in British Columbia, chicken men in Alberta and, in fact, chicken men in Ontario.

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

Mr. Pringle: Yes.

Mr. Bigg: Would the hon. member tell me who owns the broiler industry in Ontario? Is it owned by the farmers?

Mr. Pringle: I assume the hon. member is referring to the integrated broiler industry in Ontario. I am not able to give the hon. member the facts and figures, but I know there are several of these businesses here. I am not suggesting this is correct or that it is wrong, but I am suggesting that had the farmers of

Ontario looked at what was being done seven or eight years ago in British Columbia, and listened to several suggestions to the effect that they get off their behinds and into the marketing end they would not have experienced this takeover by integrated industry. This did not take place in British Columbia, and these people have just begun in Alberta. I think there is a time problem in this regard.

There is another point I should like to make in respect of family farms and I am glad the hon. member referred to the integrated or corporate farm. I have seen corporate farms and family farms operate and I submit that in the long run there is no way a corporate farm can compete with the efforts and the profitability of family farms. The family farmer works on labour profit just as do many businessmen such as small storekeepers, laundrymen and service people. A corporate farmer must make a profit because all his labour represents an expense. Labourers on corporate farms will not work the hours worked by a family farmer. I do not wish to take up any more time.

Mr. Horner: Good.

Mr. Pringle: Now that we have heard the crow from the hon. member for "member-foot"—I mean the hon. member for Crow-foot—I will conclude my remarks with the hope that members of this house will give a little more consideration to family farmers. I hope they will realize that the farmer is a businessman and does not require handouts every day of the week.

Mr. Southam: Mr. Chairman, I welcome this opportunity to make a few remarks during this debate on item 1 of the estimates of the Department of Agriculture. I should like to say at this time, after listening to the very interesting remarks of the hon. member for Fraser Valley East who has just resumed his seat, that I am afraid, if I interpret his remarks correctly, he is falling into the same trap the former minister of agriculture fell into when he said that farmers never had it so good. I warn the hon. member against this attitude because it is political dynamite.

I am pleased to see the minister back from his trip to Europe and I hope he is prepared to face up to facts and announce positive policies to help our agricultural industry extricate itself from the many economic difficulties it now faces. The leader of Her Majesty's Loyal Opposition presented a very complete and comprehensive review this afternoon of these difficulties. He pointed out that the government has been continually pounded, prodded, pushed and even hounded to take action, yet little action has been forthcoming. My leader in his remarks referred to the very serious and near catastrophic situation in western Canada because of the huge pile-up of wet and damp grain. He did not exaggerate this very serious situation. In all the years I have lived in western Canada, and I was born there, I have never seen the farmers face such a serious situation as exists today.

This fact was borne out by Mr. W. C. MacNamara, the chief commissioner of the Canadian Wheat Board, a week ago last Tuesday when, in addressing a meeting of the grain transportation committee, he not only alerted that committee but farmers, the government and all Canadians to the very serious situation existing in western Canada. It was on the basis of this report that I moved a week ago yesterday to adjourn the regular business of this house to debate an urgent matter of public importance. As an alternative I suggested that the agricultural estimates be brought into the house in order that we might have an emergency debate. I am glad the government acceded to this suggestion.

What is the existing picture today in the west? Let us look at a few of the headlines which have appeared in daily and weekly newspapers, because they emphasize the situation as well as anything. The Regina *Leader-Post* on its editorial page carries the headline, "Farmers See Need For Action." The *Globe and Mail* of November 30 has the headline, "Grain-drying Problem Worsening —And Action May Come Too Late." Another headline is, "Prairie Grain-dryer Shortage One Of Factors In Crop Spoilage." The *Western Producer*, which circulates throughout the whole of western Canada, has this headline, "Farmers Must Dry Grain At Home. Terminals At Full Blast Can't Take All Damp Grain." I have here the article to which I referred a week ago last Wednesday when I moved the motion to adjourn the house. The headline in the *Globe and Mail* is, "Head Of Wheat Board Warns Drying Must Be Done On Farms." The article goes on to elaborate in great detail some of the problems. The Manitoba *Co-operator* in its issue of November 28 carries the headline, "Decline Forecast In Farm Incomes." Another headline in the *Globe and Mail* is, "Stiff Competition For Wheat Sales Likely To Continue." I also have here a report of the Saskatchewan Wheat

Pool under date of December 3, wherein the minister of agriculture of Saskatchewan points out the serious situation that now exists. I mention these news comments in passing to emphasize that there really is a serious situation.

• (5:20 p.m.)

I would like to list a few of the factors involved in this problem. I think the basic problem is that we have such an enormous pile-up of grain. We have a backlog of grain which has accumulated from past years. The pile-up of grain has resulted from the lack of sales caused by the lapsing of the international wheat agreement. This has brought about a serious condition in regard to the economic welfare of western Canada, as the minister knows. The figures for the last crop year indicate that as of July 31 we had sold only 30 per cent of the grain sold the previous year. This indicates that inland terminals, facilities on the farms and all other storage space available was filled. This creates a problem in the handling of wet grain at this time because there is not the space available in which to carry out the drying.

The second problem is the transportation of grain. This was emphasized by the hon. member for Mackenzie and others. We must facilitate the movement of grain. The availability of dryers is another serious matter. It was very interesting to note Mr. McNamara's warning last week to the transport committee when in Winnipeg. He said that the total drying capacity of the facilities at the terminals at the head of the lakes, at Vancouver and also at the inland terminals, was only 12 million to 13 million bushels a month. If you take the figure that Mr. McNamara quoted, 380 million bushels of wet grain, include the drying capacity at inland terminals and elsewhere, and exaggerate the figure a little and say that the capacity is 15 million bushels, you can readily understand the problem facing our farmers. Even with these terminal drying facilities operating at full capacity 24 hours a day, seven days a week, with approximately only four months to perform this operation they will not get 100 million bushels dried, which is the figure some people have optimistically quoted.

The grain is very wet and is in a serious condition. It is relatively preserved now because of freezing conditions but as soon as the warmer weather of spring, which is four months hence, arrives, the grain will spoil beyond recovery. Therefore, the capacity of grain drying terminals is a very serious matter. I do not know how we can alleviate the situation at the terminals because we must be realistic and recognize that the terminal elevators require a certain amount of space in which to keep dry grain available for future sales or overseas markets. The problem comes right back to Mr. Farmer on the farm. We must do what we can to assist him to carry out an emergency drying operation during the next three or four months.

The fourth problem is the capacity of dryers related to the dampness of the grain. When you have damp or wet grain the normal capacity of a grain dryer is cut down to possibly one-third. This varies, of course, according to the moisture content of the grain. With a moisture content of 14.5 to 16 per cent the dryers can handle it easily. But when it reaches the 20 or 30 level of moisture we really have a problem. It takes two, three, and sometimes four times as long to dry grain with this moisture content.

In addition, in the winter, which is quite different from summer as far as grain drying is concerned, the farmer has to use drying machines in confined or enclosed buildings such as a machine shed or large granary. The moment you extract moisture from the grain you saturate the air in the building and the maximum drying capacity of the machine is reduced in proportion to the dampness in the air. This is another situation that aggravates the problem. I am very much concerned that even considering the number of dryers available in the most optimistic way, in view of the figures we have, which are for normal conditions and not to meet abnormal conditions, we shall not be able to dry all the damp grain on the farms.

Therefore the government should take steps under an incentive program to induce Canadian manufacturers to manufacture dryers, or obtain them from the United States. The government should also seriously consider the suggestion made by the hon. member for Huron the other day, that if dryers are available in eastern Canada they should be sent where they can be used to the maximum in the next four months.

The fifth problem is the unavailability of cash with which to purchase these machines even on a co-operative or collective basis. In addition, cash is needed to cover the operation of dryers. As hon. members know, the fuel used in these machines is basically propane gas. This is a very expensive gas and it is used in great quantities in dryers. When

you have large quantities of grain to dry, the cost is very high indeed. It runs anywhere from 10 cents to 20 cents a bushel. One can imagine the exorbitant cost involved in this operation. The farmers are short of cash at the present time because they have vast amounts of unsold grain on their farms owing to the lack of markets. There is no ready cash coming into their hands.

We in the opposition pressed the government to double the amount of cash advances on farm stored grain, and the government acceded to our request. But the $3,000 to $6,000 involved was used up immediately in the normal operations of the farm, to pay fuel bills, tax bills, repairs and in the general upkeep of the family farm. This money was used, as I say, to cover the cost of current operations. So the farmer has now spent that money and is not able to sell his grain until it is dried. In addition he is caught in a cost-price squeeze the like of which he has never experienced. I suggested through questions to the minister that we should consider the matter of acreage payments. This was done in past years to meet similar emergencies. I therefore believed mine was a practical suggestion.

Another factor in connection with this problem is providing information on how to operate a dryer. Interestingly enough, this is a matter of great concern because many farmers have never had experience in operating these machines. As I understand it, before he can market grain that has been dried at the farm, the farmer has to give an affidavit to the grain elevator company where he is going to dispose of his grain, setting out all particulars with regard to his drying operation. A sample of the farmer's grain is sent to the Board of Grain Commissioners' offices in Winnipeg. They test it, and if it does not meet the required standard it is rejected and will be accepted only as feed. The reason is that apparently in the drying process, if the temperature is not properly regulated the gluten content of the grain is impaired and as a result the flour is not of the right quality for baking. This is another serious situation with which our farmers are faced, and something has to be done about it.

It is my right to complain about the ineptitude of the government and its lack of policy in meeting this emergency. I believe it is my duty to make some constructive suggestions. What are those suggestions? First, I suggest that the government accelerate markets wherever possible to relieve the congestion of grain. I mentioned the fact that this congestion developed over the last year or two owing to the lapsing of the wheat agreement. This is something of which we have to take very serious cognizance in consultation with the other countries of the world which are also involved with the wheat agreement to ensure that the agreement works effectively and in the interest not only of the exporting but of the importing nations.

[Mr. Southam.]

• (5:30 p.m.)

Second, we have to provide cash assistance to farmers through acreage payments or other emergency subsidies such as P.F.R.A. and P.F.A.A. This has been done previously. I can cite the instance back in 1959 when farmers' crops were under the snow. The government of that time, headed by the right hon. member for Prince Albert, came up with policies which provided acreage payments and special assistance to farmers in order to tide them over the difficult situation. Now we are faced with an even more serious situation because of the vast amounts of wet grain now piled up in western Canada. When I refer to wet grain I think something has been overlooked and should be emphasized again, although I believe the hon. member for Saskatoon-Biggar referred to it. We have been talking about wheat, but there is also a multi-million bushel pile-up of other grains such as feed grains, oats, barley, flax and so on. References have been made to the 380 million bushels of wet wheat. If we considered all grains I think the total figure would be closer to one billion bushels. This indicates the immensity of the problem and one cannot overemphasize what the farmer is up against.

I hope that as this debate proceeds and the press covers it as well as the further statements made by Mr. McNamara and the minister himself, our farmers will realize they will have to get to work immediately and not leave it for another ten days or two weeks but avail themselves of every opportunity to start drying their grain or we will be faced with a loss of multi-millions of bushels of grain through rot, mould, etc. In terms of dollars and cents, the loss figure would be enormous.

Besides this assistance I think that emergency freight assistance to move dryers into position should be reinstated similar to the action that was taken not only back in the hungry 30's but in 1961 at the time of the great drought in western Canada. At that time legislation was brought in by a special

measure under estimate 604 in September of 1961 in co-operation with the provincial governments. That is why I asked the minister this afternoon whether he had already received applications from provincial governments for co-operative freight assistance on a 50-50 basis so as to provide certain moneys to pay for the freight in moving grain dryers and other farm equipment in order to cope with this emergency.

My fourth suggestion is the immediate distribution of emergency instructions on how to handle these dryers properly and on the drying of grain. This will have to be done through the public relations branches of the departments of agriculture, both federal and provincial, and passed on to the farmers so they will be more certain that they are doing a good job of grain drying and so the grain will be saleable and ready when there is a market for it.

My fifth suggestion is that we consider declaring a moratorium for one year where needed on loans due under the Farm Improvement Loans Act, the Farm Machinery Syndicates Credit Act, and Farm Credit Act. If we could do this in the face of this emergency, farmers would feel they could use some of the money that would normally be used to meet these obligations and could band together co-operatively to provide themselves with the equipment needed to do this drying operation and thus overcome the problem from this angle.

I could go on at some length but I am sure other hon. members want to take part in this debate. However, I suggest the matter is very urgent and I am sure that after the minister has had a chance to listen to various hon. members this afternoon and after what went on in our committee this morning, he will be impressed with the urgency of the matter. I strongly urge that the actions which I have suggested and the suggestions which will be made by other hon. members be considered by the minister at once to meet this very serious problem that we are now facing in western Canada.

[*Translation*]

Mr. Corbin: Mr. Chairman, what I have to say may not seem so important to hon. members if one considers that I am no expert in agricultural matters. However, I conscientiously believe that I have to say these things, because they are important, vital and crucial for the people I represent in a special way in the house. Furthermore, being a professional newspaperman, I am not used to taking part in parliamentary debates.

As a newspaperman, I have always been concerned about what was happening at home in the field of agriculture. That is why I will say, as simply as I can, what I want to bring to the attention of the minister and hon. members.

However, with your permission, I shall make a general comment by saying that I see the problem of the potato farmer—and, at this point, I take a chance of being told that I am all wet—in the context of farming in general and in the context of national and international economy. If we take any farm problem out of this overall context, we may follow a course which could lead us into error.

• (5:40 p.m.)

Evidently, this problem must be considered analytically, positively and with an open mind. It is easy to condemn the Minister of Agriculture (Mr. Olson) and the federal and provincial governments for not carrying out their responsibilities with regard to agriculture. I have yet to hear members of this house say that the farmers themselves should be blamed for not considering their problems seriously and for neglecting to maintain the quality of their products. In this connection, I want to show one example, although it is related to the potato growers in my own region.

The other day, in the course of a friendly reunion, I met here in Ottawa some people who had left New Brunswick some ten years ago. I was told that they insist on buying New Brunswick potatoes. Unfortunately, after buying bags of potatoes grown in my region, they were disappointed to find that the quality of the potatoes was definitely inferior to that normally expected.

I was told also that the Prince Edward Island potatoes are quite satisfactory to them from a quality standpoint. I am not trying to advertise for Prince Edward Island, but this is a fact. Once again, this illustrates that farmers are not always conscientious in marketing satisfactory products. Those are things that must be said even at the risk of not being appreciated on the political plane. As far as I am concerned, I take my responsibilities, and I believe that all farmers should take theirs. Particularly, they should not try to evade the regulations to put on the market products that are not suitable.

I fully agree with the hon. member for Fraser Valley East (Mr. Pringle) in the views he expressed so eloquently. I recognize also that the family farm unit is not on the way out. As a matter of fact, to support this view, I could give some examples taken within my own family.

If farmers in ever increasing numbers have left the land and if this situation still persists—I do not know if it started before or after the great depression, because all that happened before I was born—it is because these people were attracted by the easy gain they could find in the cities and because they were not prepared, as their predecessors were, to earn their bread by the sweat of their brow. And that is why, not all, but a good number of farmers quit the farm to go into exile in the city or, as it turned out in my area, in the United States. But, if the cause of that exodus is sought, we find that hundreds of those unproductive lands should never have been settled. That explains why the people who took them over never managed to make a living there. At times, they could barely support their families. Those lands should never have been settled; a mistake was made at the outset, the effects of which persist even today.

With regard to potato growers, they are now going through a critical period, a very critical seasonal period which recurs every year when the crop is brought in. The market is then at its lowest level. But what concerns me more is that the potato market, this year just like last year and the year before, will not improve enough to enable the farmer to get a decent price for his produce.

I said I was no expert in this regard, but I see farmers wondering how they will solve their problems, of which the marketing problem.

Some claim that they are being exploited by people commonly known as "brokers". I do not know whether they are right, but what I would like to know is why the governments do not look into the problem of the potato marketing.

New Brunswick has lost its traditional markets since the farmers in Quebec and in Ontario have decided to grow potatoes on a very large scale. The export market is also slipping through our fingers. The government cannot be blamed for other countries wanting to grow potatoes. But, indirectly, our farmers take the rap. Therefore, might the federal government be willing to create a commission to set the prices and quotas for potatoes? Would the Minister of Agriculture agree to establish standards which would enable the producer to get a just price?

I know that a task force is making investigations in all areas related to agriculture, but I would like that task force to try to find a solution to the potato problem, as it did for other problems.

I read recently, in the weekly papers of my region, that a company in good repute intends to establish an industry to process potatoes. As you know, there is already, in my region, the McCains Foods Company, known all over the world. And now, the F. W. Piric Company is thinking of embarking upon the same kind of business.

This might help solve the problem of marketing, since the consumer these days prefers finished goods. I hope that the Department of Agriculture and the Departments of Industry and Trade and Commerce, by means of financial assistance whenever a request is made, may help people willing to help themselves and to set agriculture in their area on the road to prosperity.

It must have been evident, Mr. Chairman, that I am not an expert in farming. I simply wished to point out, with all due humility, the problems which the farmers in my area have to face, and I hope that the Minister of Agriculture will give the matter some thought.

[*English*]

Mr. Horner: I should like to say a word or two before six o'clock, Mr. Chairman, on the urgent problem facing western Canada at this time and perhaps later this evening deal generally with the other problems facing agriculture. It is a fact well known to the Minister of Agriculture and to the house that there is an unusually large amount of damp grain in western Canada. Mr. McNamara has estimated the amount at 380 million bushels of wheat and the head of the federated elevator companies has estimated the amount as high as 800 million bushels of grain, including wheat, oats, barley and flax. Every farm newspaper one picks up, such as the *Co-Operator, The Western Producer* and *Farm and Country* is filled with comments on problems concerning the drying of grain. It is an obvious situation, but the government has moved reluctantly in the solving of it.

It is all very well for the hon. member for Fraser Valley to suggest that he would like somebody in this house to stand up and list the problems rather than ask for handouts.

Well, basically, the problem is weather. The second problem is the fact that it is the government's duty to market grain. It is all well and good for somebody to say it is the duty of the wheat board to sell grain. The wheat board serves the Canadian farmers with government assistance, it is a government board set up to market the grain for western farmers. I have long argued that the wheat board should be in the hands of the Minister of Agriculture. I cannot for the life of me see why he should have to sit in the House of Commons and defend the wheat board while the Minister of Industry, Trade and Commerce, who has that responsibility, is absent. In fact, the Minister of Industry, Trade and Commerce is not even suited to this task. I hold nothing against him, however.

I recall that during the election campaign the Prime Minister said he would appoint cabinet ministers without regard for region but with regard for their knowledge and capabilities. This is an obvious situation in which the Prime Minister made an appointment without regard for region or for knowledge. What should the government have done? It should have moved a lot faster. Some time ago the wheat board sent a delegation to China to try to increase our sales by reaching a new agreement. The delegation was successful in selling grain, but under the old agreement.

Recently the Board of Grain Commissioners appeared before the agriculture committee and stated that their basic problem in aiding the marketing of grain was money. The wheat board operates on the farmers' money and the Board of Grain Commissioners operate on government money. The wheat board should be given assistance in marketing grain by the Department of Trade and Commerce. The minister spent a month in South America, and it is a well known fact we do not sell too much wheat in that area. We have been getting along this year on poor wheat sales under the old agreement. Western Canada is concerned about the problem. The outlook for wheat sales is poor. The minister knows that the government has been slow to move the grain out of the terminals after it was dried. If it were moved faster space would be available at the major lakehead terminals and at the Vancouver terminal. However, Mr. Chairman, grain is not moving out. There is a backlog because there are insufficient drying facilities. Only 13.8 million bushels can be dried at the terminals per month.

• (5:50 p.m.)

What should the government do about this situation? First of all, it should institute a major crash program to sell this wheat after it has been dried. This it is not doing. The minister shakes his head. He knows full well that the Minister of Industry, Trade and Commerce was in South America for a month and a half and that the farmers themselves, in a way, paid for two men to go to China with the wheat board to work out a wheat agreement. But I suggest our salesmen should have gone to Russia three months ago and also visited Poland and other countries in an effort to work out some agreement.

It was suggested in the agricultural committee that the Board of Grain Commissioners should look into the possibility of building a terminal in Europe to handle our grain so that we would have ready access to the European common market. But that as it may, I suggest that insufficient pressure is put on grain movement. In the agricultural committee the Board of Grain Commissioners was asked how the grains council is fitting into the scheme of things and their representatives said that they did not know. We also asked the representatives from the eastern feed board the same question, and they did not know either. Nobody knows, and as a result the grain sales situation is in a state of flux.

What has been the position in the last few years in regard to Canada's flour sales? The minister is well aware of the flour sales that we used to make. For example, I should like to quote part of an article extracted from the Winnipeg *Free Press* to illustrate my point:

> Canada, which for many years led the world in flour exports, is now running a bad third after the United States and the European common market.

This gives the committee some idea of the extent to which we are falling down, Mr. Chairman. The article goes on:

> Extensive gains have been made in the export of flour by other countries. These are chiefly members of the common market (France, Germany and Italy).

Then the article suggests that Great Britain will reduce its imports of flour from 12 million bushels to something like five million bushels.

Surely, Mr. Chairman, the minister can look into this problem and, if necessary, institute a subsidy program for manufactured flour. I understand there was a subsidy in past years, and maybe a subsidy is still paid.

But if it is, it is not enough. The basic concept is that grain must be moved. The only flour sales being made today are to Russia, which in turn passes it on to Cuba—a very shaky commitment indeed, I suggest.

In regard to the provision of grain drying facilities, I suggest that the government appoint a western grain drying committee to co-ordinate use of all available farm dryers—

Mr. Olson: This is already being done.

Mr. Horner: The minister says that this is already being done. I did not hear him say so in the agricultural committee this morning or in his speech this afternoon. As I was saying, the government should appoint a co-ordinator to ensure that all available dryers are put to use.

This morning during the standing committee hearings the minister suggested that the government has already established one drying point at Saskatoon which is being operated on a turn-around basis. In other words, farmers bring their grain to this facility, dry it and then it is taken back to the farm. Generally speaking, about 40 per cent of the grain grown in the Saskatoon neighbourhood is tough and damp. The same can be said of the grain grown in southern Manitoba.

The minister also told the committee this morning that he had had meetings at various places in the west. I suggest that these meetings should have been held two months ago. It was obvious on October 1 that this was going to be a difficult harvesting year. One had only to look at the amount of harvesting that had been done by October 1 to assess the situation.

I would also point out that at one point the government suggested that it would remove the tariff on dryers. The newspapers—and I do not blame them—flooded the country with reports of big reductions in the tariff on grain dryers. It subsequently turned out that there never was a tariff on grain dryers used on farms. My question asked in this house some weeks ago was directed to the removal of the tariff on commercial, stationary grain dryers, and this the government has done. I also suggest that the government should set up temporary stationary grain dryers at various points on the prairies; I suggest several in southern Manitoba, several in northern Saskatchewan and several in northern Alberta.

I now want to look at the feed grain position, Mr. Chairman. I think the government is hoping that the chickens in the constituency of Fraser Valley East are going to eat all of this feed grain, or that it is going to be shipped somewhere else. We are going to have a surplus of feed grain and unless some action is taken to dispose of it this grain is just going to decay.

I also suggested in the agricultural committee that the duty on steel, glass-lined silos imported from the United States be removed. In the United States these silos were used to store high moisture corn and they could be similarly used in Canada to store high moisture barley and other feed grains. These silos are not manufactured in Canada, so I see no reason why this duty should not be removed. Knowing the tariff structure in Canada as it relates to agricultural implements it may well be that the machinery used to empty and load these silos is duty free, but the major cost is the building itself, which amounts to between $7,000 and $8,000. If this duty were removed it would help a few farmers, though perhaps not many.

I should also like to draw to the attention of this committee what the Economic Council of Canada had to say regarding research in the plants division. There is lots of evidence to suggest that the United States has made major gains in research into the growing of corn. New varieties of wheat have been developed in Mexico. I suggest that not enough money has been put into plant research in Canada. Private industry has not been enticed to enter into the field of plant research to any great extent. I suggest that instead of giving a grant of $75,000 to Crane to keep people out of bathrooms, the minister would have done better to make larger grants to private industry to encourage broader based research. It is all well and good to conduct this sort of research in universities and at the federal government headquarters at Ottawa, but surely we are lagging behind other countries.

For example, Mr. Chairman, may I refer you to the statistics published on page 2 of the Alberta Wheat Pool Budget. According to the pool, for every one million acres planted in the United States there are three wheat research scientists, but for every one million acres planted in Canada there are only two. Further, a breakdown among the federal and provincial governments and the universities investigated revealed that there are 219 professional researchers working on horticultural crops and 113 on cereal crops. I have nothing against horticultural crops—

The Chairman: Order, please.

Mr. Horner: —but I suggest that more research should be done into cereal crops. May I call it six o'clock?

The Chairman: Order. It is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Broadview (Mr. Gilbert), Housing; the hon. member for Churchill (Mr. Simpson), Rural Development; the hon. member for Brandon-Souris (Mr. Dinsdale), Sports.

Mr. Skoberg: Mr. Speaker, in view of the importance of the debate and the seriousness of the situation facing the agricultural economy, I wonder whether the minister and the house will give unanimous agreement to suspend private members' hour at this time and continue the debate on the agricultural estimates. We have only one day for this debate and I believe hon. members realize the importance of the subject.

Mr. Olson: Mr. Speaker, I too recognize the importance, but I do not think it is fair to say that there has only been one day for debate. These estimates have been considered in the standing committee for many days. While I would have no objection, there is one aspect which I would like to draw to the attention of the house. A bad habit could develop of depriving private members of their opportunity to bring motions and bills before this house. When I used to sit on the other side of the chamber I saw one private members' motion after another passed by, and this is not a good practice.

• (6:00 p.m.)

Mr. Howard (Skeena): I believe a glance at the record will show it is this government which has asked that private members' hour be waived whenever it suits its convenience. But when it comes to dealing with the representations of the farmers the minister puts on this pious act and adopts this holier than thou attitude.

Excelsior Life Insurance Co.

Mr. Olson: As usual, the hon. member is wrong again.

Mr. Deputy Speaker: The suggestion which has been made is that we postpone private members' hour. The question which now arises is whether there is unanimous consent to do this.

Some hon. Members: Agreed.

Mr. Olson: There is not unanimous agreement, Mr. Speaker.

Some hon. Members: Speak up, then.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

It being six o'clock the house will now proceed to private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

PRIVATE BILLS

EXCELSIOR LIFE INSURANCE COMPANY

Mr. David Weatherhead (Scarborough West) moved the second reading of Bill No. S-13, respecting The Excelsior Life Insurance Company.

He said: Mr. Speaker, this is a bill to continue as a federal company a company which is an existing Ontario company. The Excelsior Life Insurance Company is one of the leading insurance companies in Canada with over one billion dollars of insurance in force.

This bill is identical to ones sponsored by the hon. member for York-Scarborough (Mr. Stanbury) in the last two sessions of the last parliament. As Bill S-26 it received second reading in the house and received approval by the miscellaneous private bills committee in February, 1967, but died on the order paper when parliament was prorogued in April of that year. As Bill S-8 it was presented for second reading in September, 1967, and was further debated in November of that year and in February, 1968, but it died on the order paper when parliament was dissolved in April of this year.

For the benefit of the many new members of the house, and to refresh the memories of hon. members who were sitting in the house during the debates on this bill's predecessors, the facts are basically these. The Excelsior Life Insurance Company was incorporated under the laws of the province of Ontario by letters patent dated August 7, 1889. It has

been registered with the federal Department of Insurance since 1897 and has filed returns with the federal Department of Insurance for some 70 years.

As a provincial company registered with the federal Department of Insurance, the Excelsior Life Insurance Company is subject to most of the provisions of the Canadian and British Insurance Companies Act, to which it would be subject as a federal company. At the same time, it is subject to the jurisdiction of the Ontario Corporations Act, and there are certain conflicting and overlapping provisions in the said two acts. This dual jurisdiction does result in some hardship and inconvenience. The company, for instance, must prepare its annual statement in a form prescribed by the federal Department of Insurance, but its annual report is prepared differently to comply with the provisions of the Ontario Corporations Act. The investment powers under the Ontario Corporations Act do not conform to those provided for under the Canadian and British Insurance Companies Act. Since the company is in direct competition with federally incorporated companies, it feels prejudiced by the more narrow investment privileges under the Ontario Corporations Act.

There are certain areas of difference in the field of administration between federal and provincial requirements which could be resolved if the company became a federal company.

The Ontario department of insurance has been quite understanding in dealing with this company in its operations under these circumstances and the company has been treated much as if it were a federal company. The Excelsior Life Insurance Company is licensed to operate in each province and carries on business in all the provinces of Canada.

It is not considered feasible to reincorporate as a federal company and to sell and transfer the company's assets to the new corporation in view of the large size of the Excelsior Life Insurance Company. In the first place there are about 200,000 policyholders and more than one billion dollars of insurance in force. It would be impracticable to transfer these policies to a federal company. Second, there are mortgages on real estate held by the company totalling about $88 million and marketable securities to a value of about $99 million. It would hardly be feasible to register assignments of all the mortgages and to prepare the necessary transfers of all the securities to a new corporation.

The most serious opposition to this bill's predecessors, Mr. Speaker, has centred around the fact that since 1960 a controlling interest in the Excelsior Life Insurance Company has been held by Aetna Life Insurance Company which has its head office in the United States. Aetna, which holds 72 per cent of the shares of Excelsior, is one of the largest stock life insurance companies in the United States and has been doing business in Canada continuously for over 100 years, longer than any other American life insurance company.

At the time of the acquisition of its controlling interest in 1960 it was declared by Aetna that there would be no change in the management, personnel or directors of Excelsior and that Excelsior would continue as an autonomous Canadian operation, managed and administered by and for Canadians. The following will attest to the validity of this declaration:

1. Since 1960, Excelsior has continued to conduct and expand its operations under the same Canadian management.

2. Excelsior has acquired a substantial volume of Canadian business originally written by Aetna.

3. Excelsior has a board of 12 directors of whom nine are resident in Canada.

4. The invested assets of Excelsior which exceed $211 million are invested almost exclusively in Canadian assets. Less than one-tenth of one per cent of Excelsior's invested assets are invested in United States and foreign securities.

Mr. Speaker, Section 16 of the Canadian and British Insurance Companies Act prohibits the transfer to foreign control of those life insurance companies which were Canadian controlled on September 23, 1964. The section also, however, provides a blanket exemption where more than 50 per cent of the shares were held by a non-resident on that date.

Excelsior, as a provincial company, is not subject to said section 16, but even if it had been a federal company it would have been exempt from the 1964-1965 amendments of section 16, since more than 50 per cent of its shares were held by a non-resident at that time and had been so held for about four years. There are 12 other federally registered insurance companies with the same exemption as Excelsior, as far as section 16 is concerned.

• (6:10 p.m.)

The purpose of this bill is to achieve the effect of re-incorporation as a federal company without the apparent difficulties posed by that course of action because of its large size. It is an old established company of high reputation, carrying on business in all the provinces of Canada for over 70 years. It simply wishes to clear up its status in a way which the Superintendent of Insurance entirely approved in the hearings on a similar bill which were held by the miscellaneous private bills committee on February 14, 1967. The bill would subject the company more firmly to federal legislation and cut off provincial authority and control. It would make the Excelsior Life Insurance Company more competitive with other companies in the field and enable it to serve the public interest better.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, those who are interested in the operation of insurance companies in Canada will appreciate the interest that the sponsor of this bill has shown in the role of this insurance company, the purposes suggested for it by the principals concerned, and the reason this type of bill is introduced in this way. For a number of years I have been opposed to this bill but the sponsor did not mention the reason for my opposition.

It would be very simple for the sponsor to agree to a change in the bill, a change such as been accepted by other insurance companies, whereby it would divest itself of American control within a period of years. This was the aim of the former minister of finance, Mr. Gordon, who wished to end American control of Canadian corporations. We do not suggest that this be done to the disadvantage of the company. We suggest, and this has been accepted as a reasonable proposition by a number of other companies, that it be given a ten-year period in which to accomplish this objective. The company would not have to rush out and sell its stock on the market immediately.

This is the type of proposition put forward by the former minister of finance when dealing with banks operating in Canada. In some cases it was accepted reluctantly, and in others favourably. In fact two suggestions were made. The first was that a bank could carry on business as it had been and would be treated as a foreign owned bank operating in Canada. But under this arrangement it could not expand its operations. The second suggestion was that a bank be allowed to expand but that within a ten year period, at the point it thought most advantageous to itself, it would sell controlling interest in its stock to Canadians and become a Canadian owned company.

Earlier this afternoon this house discussed a very serious agricultural problem. If the sponsor of this bill had wished to bring tears to the eyes of hon. members he could have suggested that this insurance company might agree to use its mortgage funds to help farmers suffering difficulty in western Canada.

Aetna Life Insurance Company is an American owned company. It is a monolithic structure. I went to the library to find out some facts about it. Its president is connected with Connecticut Insurance and many other companies. It has quite a bit of money to invest. Last year it held a surplus in shares of upwards of half a million dollars, a surplus in insurance funds of $11 million and had total assets of $185 million. Had the hon. member done this I am sure some of the members of my party would have risen and said: Let us get on with it and spend this money in an advantageous way.

But the company has not suggested this. It acts the same as any other corporation. It is here to make money, and it believes it will be more advantageous to make money with a federal charter than with a provincial charter. But having examined the company's assets, frankly I fail to see how it has hurt the company not to be federally incorporated. I might call this a harangue—I would not want anybody else to call it that—but frankly I do not see why it should be given this power.

This is an old Canadian company which was acquired by an American firm, and since becoming American owned it has not become any more Canadian oriented than it originally was. We have an obligation to foster the idea of Canadian ownership. If the Excelsior Life Insurance Company were federally incorporated and instructed to become Canadian owned within a ten year period, I have the idea at the back of my mind that at a future date, when we were controlling it through our Department of Insurance, we could say to the company: As a good corporate citizen you might make money available for this purpose or for that purpose. I see a number of members from Toronto in the house. I am sure they would like to see more money devoted to housing. Farm representatives would like to see long term loan capital made available to farmers at a reasonable interest rate. This seems to be what this bill is all about.

Excelsior Life Insurance Co.

I listened carefully to the sponsor of the bill when he discussed the reason why this company is seeking federal incorporation. It involves an amendment that was made to the Canadian and British Insurance Companies Act which provided that a company which was wholly owned by a foreign company in 1964 could get federal incorporation. In effect the plea being made here is: Let us not follow that law; let us make an exception.

• (6:20 p.m.)

Let us go back to the original incorporation. It was incorporated originally, I believe, in 1889 by letters patent of Ontario, amended by orders in council in 1889 changing the name to Excelsior Life Insurance Company of Ontario. It was modified again in 1897. In 1899 the name was changed to Excelsior Life Insurance Company by supplementary letters patent. This company was originally a Canadian owned company. It became involved in foreign control back in the early 60's and now is owned by a United States corporation.

There is another problem that bothers me. Sometimes we are not right but we are not always wrong either.

I refer to the situation which developed several years ago in the private members' hour. Over a period of years we had seen an amalgamation of the major banks in this country. We saw the Canadian Bank of Commerce amalgamate with the Imperial Bank. We saw the Dominion Bank amalgamate with the Bank of Toronto. There were a number of amalgamations, but there is no need to list them all. There was a drawing together of a number of banks. Then a couple of years ago along came a number of bank bills. In each case the sponsor said: Just pass this legislation and this will give the right to print money.

It must have been wrong to have the amalgamation if it is wise to have a proliferation. If, on the other hand, it was right to allow the amalgamation, then the reverse must be true. When a number of companies wish to expand their operations by setting up new units this must be wrong if the other was right. We pointed this out. We are opposed to the expansion of the number of banks just for the purpose of expanding without having any competitive position along the line. As is already evident two of these banks are out of business. Another has surrendered its charter and another is in a dubious position. I believe one is partly successful. My colleague who comes from that province may say that one is highly successful, but I do not know.

Mr. Alkenbrack: What is the name of that company?

Mr. Peters: I am referring to the Bank of British Columbia. Another of my colleagues says that he has some money invested in it, so I suppose it is still solvent. The point I make is that it was not advisable to establish these banks because they did not have the financial structure that was necessary. Yet continually we are faced with the establishment of new companies.

This company, the Excelsior Life Insurance Company, is in Canada and has been here for several years. It was operated as a wholly owned Canadian company. Aetna Life Insurance Company did not become involved in it because the company was in difficulty or anything, but rather to control it. That in itself is not a bad thing except that Aetna Life Insurance Company was in this country doing business as it has for a great number of years. It has been doing a very large amount of business in Canada. I believe Aetna was organized in 1850 as an annuity company. I believe it commenced business in Canada in 1850 with a licence to transact the business of accident and sickness insurance. So this parent company has not been really left out of business in Canada. I believe it does less business, however, than Excelsior, but it has liabilities in Canada of $53 million. Therefore it is not a small contribution.

I am sure a check will show that Connecticut Life is also doing business in Canada and that there is no drought of insurance companies. Therefore there really is no reason that this company should have any excess advantage in the market because it is not doing any particular good. Certainly I believe, perhaps wrongly, that if a company is a Canadian owned company then we have a responsibility to allow it certain benefits we would not allow a foreign owned company. This, of course, has been established in the difference between the regulations contained in the Insurance Act which affects Canadian owned companies and that which affects British and foreign owned insurance companies. Both are acts of parliament and treat companies in a different way.

I suggest that there is great advantage in this company being a Canadian owned company. I am sure we would not ask the Aetna Life Insurance Company to give up its control

without due remuneration. I have never noticed any difficulty in respect of these companies disposing of their stock when they make the decision to do so. If this company decides within a ten year period to be a wholly owned Canadian company with Canadian directors resident in Canada, I am sure this could be brought about without any additional cost to the company.

The sponsor of the bill, in passing, mentioned the board of directors of the company. It is interesting to note that there are Canadian directors of the company normally resident in Canada. Bruce Matthews is of Toronto, Henry Gooderham is also of Toronto. I presume Mr. Matthews is the well known lawyer and that Mr. Gooderham has liquor interests. A. E. Walford is of Montreal. Mr. Paul Matthews is of Toronto. Then it goes on and mentions John A. Hill of Hartford, Connecticut, Olcott D. Smith of Hartford, Connecticut and Fraser M. Fell of Toronto. They list five or six directors who are Canadians. It seems to me that Mr. Matthews would not have much time to devote to his duties as a director of this company. I am sure this is also true of Mr. Gooderham. Perhaps they are on the board, as is the situation in respect of some of the people in the other place, only to provide a Canadian content. In my opinion this is not good enough.

While listening to a couple of economists discuss our national economy I was surprised when they pointed out that the insurance companies of Canada spend more money in the United States than the United States supplies Canada with capital. The drain of money is not into Canada as would normally be expected; it is out of Canada. We have money in Canada which could be used for more development than is the case now if it remained at home rather than going across the border. I suggest this is probably the wish of our people. Therefore it is my opinion that it would be to our advantage that this company consider the suggestions we have made that it be returned to Canadian ownership with a full slate of Canadian directors so that the company will be directed toward Canadian development because of the large sum of money that these insurance companies control.

• (6:30 p.m.)

There was another problem that interested me immensely in respect of this matter.

Mr. Speaker: Order, please. The hon. member's time has expired. Is it the pleasure of the house that the hon. member have leave to continue?

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I received on November 16 the following letter from Mr. Léon Verville who is the executive secretary for the Bois-Franc-Saint-François de Warwick region, and I quote:

Dear Sir,

Along with my colleagues of the Société des Artisans, I am counting on you to oppose as strongly as you can the bill proposing to levy taxes on insurance companies and which places on the same footing co-operatives and fraternal societies such as ours and other life insurance companies.

There is no doubt that the societies and companies hit the hardest are those controlled by French Canadians since they are the smallest. Such legislation will create considerable difficulties in their development and will undoubtedly contribute to maintain the economic inferiority of our people.

Kindly accept our anticipated thanks, etc.

Now, Mr. Speaker, we are discussing today Bill No. S-13, which is intended to create an exceptional situation for one insurance company that, in a way, forms part of the American monopoly, since the field of insurance in Canada is largely influenced by that capital.

Several members will probably recall a supplement published by *Le Devoir*, on October 10, 1968, dealing with insurance problems. This supplement underlined the insurance problems in Canada by comparing French-Canadian companies with Anglo-Canadian and foreign companies. The example was given that in 1946, 23 French-Canadian establishments controlled 8 per cent of the market, while 92 per cent was in the hands of 66 Anglo-Canadian and foreign-owned concerns, and the situation has never changed for the better since. The bill before us would give the Excelsior company and its owner, the Aetna company from the United States, a privileged position and the right to compete with other companies.

Mr. Speaker, the paradox in this matter is that, on the one hand, the government members are ready to give some privileges to foreign companies and, on the other hand, in his mini-budget, the hon. Minister of Finance (Mr. Benson) dealt a nearly mortal blow to our French-Canadian companies.

So that you can realize the full extent of the problem, Mr. Speaker, let me tell you that the Société des Artisans, about which Mr. Verville, to whom I referred earlier,

wrote me, has more than 354,000 members divided into 150 locals and 18 regional offices, including three for Franco-Americans in New England. This is an important company, with permanent and very active agencies. Each one has a board of directors and a regional office constantly at the disposal of local organizations. The general assembly of the society is attended by delegates from its various regional offices. Economically, this body constitutes a democratic system which is very efficient and which does not ask for special treatment but wants to be treated equitably.

On the basis of 1967 figures, the tax levied by the Minister of Finance would represent, for the Société des Artisans, an amount of some $500,000. To give an idea of what that amount means to the Society, I would point out that it is estimated that $800,000 will be paid as rebates in 1968 out of the gains of 1967.

Mr. Speaker, you realize all the trouble taken by this government to help our companies which are truly Canadian, dyed-in-the-wool Canadian, as compared to the advantages granted to those companies.

The last budget led to the following disastrous consequences: first, increased administrative expenses on account of the upheaval and supplementary work which—

Mr. Speaker: Order. I doubt that the remarks of the hon. member are related to the bill now under consideration. I think he is trying to carry on the budget debate, and I respectfully suggest to the hon. member to limit himself, during the time allowed for private members' business, to the bill tabled by the hon. member for Scarborough West (Mr. Weatherhead).

Mr. Fortin: Mr. Speaker, I shall certainly pay heed to your very kind remarks. I wish to point out, however, that the purpose of Bill No. S-13, as outlined by its sponsor, is to put on the same footing this company, which was in Canadian hands before it was bought by American interests, and the other American companies.

It is said that there is double competition in this field, overlapping of legislation, which makes it more difficult to draw up annual reports, and so on. We were told about the extravagant amount of money involved because of the overall policies in force. We were lectured on mortgages, securities and so on. However Mr. Speaker, to make it short, their purpose, through this bill, is to grant a privileged status to this company.

Indeed, the explanatory note accompanying the bill reads in part, as follows:

> Due to the size of the company, continuation as a federal company and not a federal re-incorporation has been applied for.

Therefore, in my view, this bill is favoured treatment, whereas the last budget was unfavourable to insurance companies.

It is precisely to bring out this point that I referred to the serious consequences of the last budget on one of our insurance companies, the Société des Artisans.

If, on the one hand, Mr. Speaker, we pass Bill No. S-13, this government would have to accept our proposals concerning French-Canadian and Canadian insurance companies.

That is why, Mr. Speaker—without questioning your good judgment, because I think it is better than mine since you have greater experience than I have in this field—I would be pleased if I could conclude my remarks with respect to the Société des Artisans to show how serious the situation is, since it affects considerably our French-Canadian companies.

In fact, we would create a precedent if we acted this way towards this company and I want to record my objection. I want foreign companies to be placed on the same footing as Canadian companies, provided however that our Canadian companies are not scuttled but assisted.

Mr. Speaker, if we harm French-Canadian and Canadian companies, it is absolutely unacceptable that we should pass Bill No. S-13 which promotes, in a way, foreign investments at home as well as purchase of our own companies.

The Excelsior Company was incorporated in 1889. It was purchased by the Americans. If the budget measures are passed and implemented by this government, tomorrow other American companies will buy our French-Canadian companies. I want to object to that and I consider this a matter of principle. That is why I object strenuously to the passing of Bill No. S-13.

• (6:40 p.m.)

[*English*]

Mr. Speaker: The hon. member for Skeena.

Some hon. Members: Hear, hear.

Mr. Frank Howard (Skeena): That applause is almost embarrassing, Mr. Speaker. Some

time ago the former minister of Indian affairs and northern development made an announcement in the house about the establishment of Panarctic Oils Limited. At that time he pointed out that one of the reasons for the establishment of Panarctic Oils Limited was a co-operative venture among a variety of oil exploration and mining companies, and the federal government, to act in concert through one company to carry out exploratory work in the northern part of Canada.

The Canadian government put up 45 per cent of the common and preferred share capital for that company. The point I am getting to—and this is only in a preliminary way—is that this was lauded as a most commendable aspect of the attitude of the Canadian government toward Canadian ownership. As was said then, and as was said this morning before one of our committees, if it had not been for the Canadian government's participation in Panarctic Oils to the extent of $9 million it would undoubtedly have been necessary for that consortium of companies to obtain money from foreign sources, and thus become another aspect of the foreign ownership activity in Canada.

The Canadian ownership aspect, as I understand it, was to the extent of 76 per cent, partly because of the percentage of Canadian ownership in the other companies in Panarctic oils and partly because of the 45 per cent, or $9 million invested by the Canadian people. That brings it to 76 per cent Canadian ownership. This was lauded as being extremely commendable and reflective of government attitude toward Canadian ownership, something which we have been espousing and arguing in favour of for some time.

The former prime minister, Mr. Pearson, in addition to the former minister of finance to whom my colleague the hon. member for Timiskaming (Mr. Peters) referred, went on a nationwide television broadcast. So concerned was he about the matter of foreign ownership that he took to the nation's communication medium to tell the Canadian people that he, Mr. Pearson, as prime minister of Canada was in favour of Canadian ownership of industry and manufacturing in the economy of the nation. I believed him. Many others believed him.

I think this was a fine declaration to have made. Many of the former prime minister's colleagues in the cabinet did not agree with him. Many of them were of the reactionary, pro-foreign ownership type, and there was a split in the cabinet about this matter. None the less the former prime minister, who spoke for the cabinet and the government of the day, made that declaration. We endorsed it, supported it and wished fervently that the declaration would come to some fruition, and that we would see the results of it as time went on.

But we have a different Prime Minister (Mr. Trudeau) today, Mr. Speaker. He was one in the cabinet of Mr. Pearson who was of the reactionary class or group when he was minister of justice. Regardless of the impression he leaves, regardless of his gentle smile and soft voice, the present Prime Minister fell then, and falls now, in the class of those favourably disposed to foreign ownership and control of the economy in Canada. An indication of this reactionary attitude showed up today in the almost flippant and arrogant way in which the Prime Minister dealt with the fisheries problem on the east coast, something of tremendous concern. He said almost disdainfully: Come on back tomorrow. Maybe the Minister of Fisheries will be here, and he can deal with it then.

I use this as an introduction to the bill, Mr. Speaker.

Mr. Speaker: Order, please. It seems to me the hon. member has been speaking about many things, few of them relevant to the bill before the house.

Mr. Gibson: That was the preamble.

Mr. Howard (Skeena): Mr. Speaker, my hon. friend opposite, whose constituency I am afraid I do not recall at the moment, just said that was the preamble. It was the preamble to the aspect that the bill before us concerns a foreign owned company.

Mr. Gibson: More verbose nonsense.

Mr. Howard (Skeena): It would be helpful if the hon. gentleman would not make remarks from his seat. They make more sense that way, but the rules of the house provide that if he would like to say something he is perfectly at liberty to ask me any question, and I will be glad to try to answer it. The point at issue is the matter of the foreign ownership of this company, Excelsior Life Insurance Company, and what the parliament of Canada is going to do about it.

As we have in the past, we look in many respects to the government of the day because any enunciation of public policy in

this matter should emanate from the government. Because this is a one-man government, we must look to the Prime Minister, who so far has been silent on the matter of foreign ownership and control of Canadian industry, silent on the matter of foreign ownership and control of Excelsior Life Insurance Company, and all the other insurance company bills that are before us.

Mr. Gibson: Mr. Speaker, would the hon. member permit a question?

Mr. Howard (Skeena): Yes; I have sufficient time.

Mr. Speaker: Order, please. Perhaps the hon. member might be given an opportunity to ask the question from his seat.

Some hon. Members: Oh, oh.

Mr. Howard (Skeena): While he is doing that—

Mr. Speaker: In the meantime the hon. member might go on with the preamble.

Some hon. Members: Hear, hear.

Mr. Gibson: Mr. Speaker, as company law is both federal and provincial, does the hon. member not think he has been most unfair in his criticism of the Prime Minister? He is trying to develop answers to the problems, prior to the federal-provincial conference, where all these things are discussed in the context of a federal-provincial atmosphere of distribution of powers?

Mr. Howard (Skeena): Mr. Speaker, if I were to be permitted to answer that question I obviously would be out of order. But I would point out to the hon. member that this is another indication of the attitude, not only of the government but obviously of the whole Liberal party, namely: Wait until tomorrow; wait until another day; let us see what occurs.

As far as I am concerned, the Prime Minister, because he is the leader of the government, in respect of foreign ownership of Canadian industry, is as phony as a $4 bill, and everyone who supports him in that concept of waiting until some other time to do something about it falls within the same class. It would not surprise me at a bit, and I understand this is the case, that in cabinet already—perhaps my hon. friend does not know about this because he is not close enough to cabinet to find out these things—there are moves afoot to bring in a public law giving the open door treatment to companies like Excelsior Life Insurance Company, and all the rest of the Companies foreign owned, and those controlled by foreign capital, saying to them—and this will occur if the government decision comes out in the open, and it will very soon—that they no longer have to go through the process of having their affairs examined in public; that they can come in by the back door and become incorporated by letters patent. If that comes to pass, as I am told it will—it is a matter the cabinet is discussing—it will simply be an indication once more of the favoured treatment the government has given and will continue to give to the foreign domination of this nation's economy.

Mr. Gibson: Which government, federal or provincial?

Mr. Howard (Skeena): Does my hon. friend have another question? I would be glad to listen to it.

• (6:50 p.m.)

In addition, it would not surprise me a bit if even in the rules of procedure of this house, the revision of which is to be tabled tomorrow by the procedures committee, some suggestion is not advanced which will give the government control over the affairs dealt with in private members hour, in order to buttress the position of the government, and through which the government can treat its friends with extreme favours.

Mr. Deakon: Mr. Speaker, may I ask the hon. member for Skeena a question?

Mr. Speaker: Order, please. I have to remind the hon. member that the hon. member for Skeena now has the floor. The hon. member seeking to ask the question cannot do so unless he secures the permission and consent of the hon. member who has the floor.

Mr. Howard (Skeena): Mr. Speaker, I would be glad to extend the consent to the hon. gentleman.

Mr. Deakon: I was wondering whether the hon. member would enlighten me as to whether or not this is an exercise in futilty.

Mr. Speaker: Order, please. I think the question is not entirely relevant. Also I have to say that some of the comments made by the hon. member for Skeena in my humble estimation were not entirely relevant to the bill before us. The question before the house is not the general matter of private bills and

whether we should continue to have a private members hour, but the very specific proposal moved by the hon. member for Scarborough West. I think the hon. member for Skeena should be able by this time to address himself to that bill.

Some hon. Members: Hear, hear.

Mr. Howard (Skeena): I was desperately trying to do that, Mr. Speaker but I was sidetracked by a couple of irrelevant questions.

Some hon. Members: Oh, oh.

Mr. Perrault: The hon. member had better hurry up or no time will be left for a vote.

Mr. Peters: If the hon. member is hungry he can go and have his dinner.

Mr. Howard (Skeena): The expression is that this is another voice crying in the wilderness, or perhaps it would be more accurate to say another wilderness crying in a voice.

Regarding the Excelsior Life Insurance Company, perhaps what I can do in order to ensure that I am in order is to read from *Hansard* the remarks which were made on another occasion with respect to Excelsior Life Insurance Company, remarks which were not ruled out of order at that time. I am quoting from page 2513 of *Hansard* where the remarks of the then hon. member for Skeena appeared. They read as follows:

> The position of the New Democratic party has been enunciated on a number of occasions. It is a position that goes beyond the narrow confines of the statutory requirements of the Insurance Act. It is a position that, with respect to companies such as Excelsior Life Insurance Company, is identical with that—

—of the then government.

Perhaps I could refer to something that took place before the committee on February 14, 1967 when the committee began to consider the bill and had certain evidence presented to it. Certain officers of the company appeared before the committee, namely a Mr. Fraser M. Fell, Q.C., who was listed as the parliamentary agent, and a Mr. Kenny who was then president of the Excelsior Life Insurance Company. These gentlemen, together with Mr. Humphry, the superintendent of insurance, and the sponsor of the bill, proceeded to give the committee certain evidence. Part of the evidence related in a broad, general sense to the matter of foreign ownership and control. In this regard, thinking in terms of the Excelsior Life Insurance Company, which is a massive company with large amounts of money at its disposal, part of which is invested in different parts of the world, we might make reference to the Canada-Japan Trade Council Newsletter of July 1968 where we find the following:

> The tremendous industrial and commercial expansion by Japanese industry since the mid-1950s has been accomplished almost entirely without benefit of foreign investment. By and large it has been the policy of the Japanese government to discourage direct foreign investment, except in cases where a Japanese industry would clearly benefit by foreign participation.

Then it points out the degree to which foreign capital has been invested in Japan as compared with other countries, and it says that Canada had a foreign investment and equity capital of fourteen and one half billions of dollars and that Japan, in a similar period, although not in exactly the same year, had a foreign equity investment of only $.7 billion dollars—a tremendous difference. Here we are being asked to make retroactive to 1910 an aspect of foreign ownership and control of another life insurance company in this country, something we can well do without. The whole process that took place earlier on, both before the committee and before the house, continues to have the same force now. It continues to be true that such proposals are antagonistic to the interests of Canada, derogatory to our economic well-being and to our prospects in the future. We should not continue to go through the process of giving a carte blanche to foreign controlled companies to move into this country and do whatever they wish, without any restrictions being put on their activities.

Mr. Speaker: The hour assigned to the consideration of private members bills has now expired.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the Canadian agricultural services co-ordinating committee, contributions to the commonwealth agricultural bureaux, and a contribution to the Agri-

cultural Economics Research Council in an amount equal to one half the contributions to the council from other sources during the fiscal year but not exceeding, $8,520,375.

Mr. Horner: When the house went to the consideration of private members hour at six o'clock, I was dealing briefly and rapidly with what the government should have been doing at least two months ago in attempting to deal with the difficult situation which was building up in western Canada. The minister has been out across the western region. I recall that even back in October he was pictured on television, walking in water amongst the swathed crops. He had plenty of evidence then of the situation, and it is too bad the government has not acted.

Mr. Olson: Did you say in or on the water?

Mr. Horner: I said in the water. We now have the facts, and know that something like 40 per cent of the grain crop has been taken off, and that in fact in northern Saskatchewan some 55 per cent of the grain still remains to be harvested. I suggested before, sir, that a correlated effort should be made to round up all available dryers from farmers who are through with them. This could easily have been done through municipalities, and a listing of them made for the government. The government could easily have paid the transportation costs of moving these dryers to the grain, or to the vicinity where there was a lot of damp grain. This course should have been adopted two or three weeks ago at the very latest. It was evident then there was going to be a lot of damp grain. Rarely is any crop harvested after the middle of November. It was known in November that a huge amount of damp grain was available, and the minister would have been wise to inform the farmers at that time that it would be better to abandon the damp grain. It would have been better to allow some to lie in the swaths.

As the hon. member for Qu'Appelle-Moose Mountain suggested, the government could have told the farmers to leave their grain in the swath. There is no question about it, that grain will lie in the swath over the winter. It will deteriorate a grade or two, but it is still there in the spring, capable of being harvested, depending on the type of spring weather we get. According to a recent article in the Ottawa *Journal* the minister said that farmers who have been careless, unlucky or unwise are no different from unlucky storekeepers or plumbers.

Mr. Olson: I didn't write the editorial.

[Mr. Speaker.]

Mr. Horner: When the minister makes such a statement, he is plainly abandoning his responsibility, and that of the Minister of Industry, Trade and Commerce, as well as that of the Minister without Portfolio, the hon. member for Saskatoon-Humboldt.

Mr. Olson: Tell that to the editorial writer; I didn't write the editorial.

Mr. Horner: I have had to dispute some newspaper articles during the time I have spoken in this house, but I can honestly say very few. If the minister wants to say he was misquoted—

Mr. Olson: No, I was not; I said I didn't write the editorial, that is all.

Mr. Horner: If the editorial writer put the wrong interpretation upon his remarks, I can only say that is tough; he must have been very misleading in his remarks.

We have a very difficult situation, and the minister has announced he is going to call an agricultural conference to study the whole agricultural industry in Canada. Back in the fifties, when we had a surplus of grain, the farmers were encouraged to diversify. Today, we have a surplus in rapeseed and, a surplus in mustard seed, and a surplus in flax is fast building up. The price of flax is going down correspondingly. Into what is the minister going to tell the farmers to diversify now, when the Minister of Industry, Trade and Commerce has not made any real effort to promote the sale of Canadian grain? As I mentioned before, a sale has been made to Red China. This sale consisted mostly of No. 4 and 5 wheat. No new agreement was made, and there was no mention of an agreement. This order took up the slack in the old agreement, which is running out. I ask the minister this question: Were Nos. 4 and 5 chosen because of price competition? In other words, I am asking whether Nos. 4 and 5 is the only wheat that is competitively priced with our major competitors in the world markets? Certainly I would judge this to be so.

Earlier today I dealt with the question of flour. The minister is fairly knowledgeable on that subject, because at one time there was a flour mill in his own constituency. It has since closed. There was one in Moose Jaw and that closed down last year. For the first time, Great Britain has not led the list as our best customer in cash sales; Japan has taken over. In fact our sales have fallen off.

Recently we exported some barley to Japan, and there was some doubt about its

quality. I mention this mainly to point out that when the Board of Grain Commissioners appeared before the agriculture committee they said they were hampered in their investigations of further markets because of the lack of money from the government. Surely this is a very weak excuse. It is a fairly good excuse for the chairman of the Board of Grain Commissioners, but surely the minister cannot honestly say he has gone to bat for the farmers. He should be helping the Board of Grain Commissioners to research more markets. That is why we urged the government to agree to this debate, so as to have an opportunity to try to persuade the minister to reexamine the whole situation. The government made what they thought was an important statement about the reduction of tariffs on dryers, but actually the reduction saved the farmers very little money, if any. Indeed it caused the dealers a great deal of headache because the farmers came to them and asked for refunds.

• (8:10 p.m.)

As I suggested earlier, Mr. Chairman, the government could have purchased these large stationary grain dryers and operated them at various parts of the country where there were insufficient farmer-owned dryers available. This co-ordinating committee, to which reference has been made, could also ensure that this grain is dried properly so as to safeguard the quality of the grain. It is a well known fact that if grain is dried too quickly or at too hot a temperature, its quality may be severely damaged.

May I make just a few comments about the conference next March. The minister said that some 400 people would be invited, 140 of whom would be farm producers. Yet on the steering committee the minister is only permitting the participation—and I use that word because it has a certain significance to that government over there—of two national farm organization representatives. His weak excuse for this is that he told them he would hear from one of them.

Mr. Olson: No, both of them.

Mr. Horner: The minister now says both of them. This is an example of how he confuses the house, Mr. Chairman. Apparently he heard from both of them after he had asked them to select one representative.

Mr. Olson: One nomination from both organizations.

Mr. Horner: That is what I said. I think it is well known in farm circles across Canada that there is a great deal of conflict of opinion as to whether or not Canada should have one national farm organization, or two. It is also well known that there are something like four or five major national farm organizations in the United States. I cannot see why we cannot have two in Canada. But the minister has made no recognition of the fact that there is this conflict of interest between the two farm organizations.

Mr. Olson: Does the hon. member want that carried into the steering committee?

Mr. Horner: Carry it in if you like. If you want my words, take them. I suggest that if the minister is broadminded and wants proper participation in the activities of the steering committee, since 140 delegates out of 400 are producers then the very least number to represent them on the steering committee should be two delegates. As I understand it, the steering committee is going to consist of five members, and I ask the minister whether six members would make it unwieldy, and indecisive, when it comes to deciding how much time should be allotted to each group and how the conference is to be divided up into its various committees. In effect, the minister has told the conference that he has made them a big offer and that it is now up to them to get together.

That is what he told the corn growers when they came to Ottawa. He told them that he could not do anything about their situation, that they had better get together. You can only pass the buck for so long, Mr. Chairman. The minister told the corn growers of southern Ontario that there was no dumping of corn in this country, and then a week or so after he stopped that dumping.

With regard to wheat sales, generally speaking wheat is grown for sale, not for storage. But it must also be recognized that in bumper crop years it is not imprudent to store wheat. The old adage of the Egyptians about storing up in the fat years to meet the needs of the lean years is a sound one, and applies in this case, so long as we remain competitive on world markets.

According to today's Ottawa *Journal* there is a report to the effect—I do not have the report with me, so I cannot use the minister's exact words—that it is difficult for Canadian farmers to maintain their production if they have to compete with subsidized agricultural

industries in other countries. The hon. member for Fraser Valley East might do well to study this article, in which the minister outlines the difficulties facing all farmers, even chicken farmers, as a result of the huge subsidies that some countries are prepared to provide for their own agricultural industries.

This is why I suggest that the Leader of the Opposition was quite sound in suggesting that one of the recommendations that should be made at the conference in March is for a world conference of all primary producers in the agricultural industry. The minister will probably reply that he has just returned from an O.E.C.D. conference on agriculture. However, that conference did not include representatives from the Asian countries. Asia during the last few years has become one of Canada's biggest markets, but now this market is shrinking vastly. The sad fact is that our market in the free world is also shrinking. I do not want to take up any more time on this subject, neither do I want the minister to feel confident that he is doing a good job. Ministers of agriculture have been studying agricultural problems for a long time but very little action has been taken in an attempt to solve them.

I should like to make a brief reference to the cattle industry. Recently I noticed a report that the United States has asked for a voluntary ban on Australian and New Zealand beef entering the United States. I should like to ask whether the government has taken note of this. If the United States is clamping down on Australian and New Zealand beef, will not these two countries now look to the Canadian market?

The livestock journal of Calgary recently carried an article dealing with Argentine beef, and it appears a lot of cooked and partially cooked beef has been exported to Canada and the United States from that country. If we are going to maintain our agricultural industry and keep it on a sound basis, we must guard against surplus products being dumped in Canada by competing nations.

I should now like to say a word or two about the over-all picture of agriculture. Since the government have taken office they have increased interest rates on loans provided under farming legislation. For example, the Farm Credit Corporation now charges 7¾ per cent, and the rate on farm improvement loans is 7½ per cent. One rate moved up 2¾ percentage points, representing more than a 50 per cent increase in the cost of money. The government and the minister felt that raising these rates would be the best way of getting the farmers to participate in our economy. I must not forget to point out that recent changes to the Farm Credit Corporation legislation resulted in a benefit to the corporations.

The proposed changes to the Estate Tax Act will be of direct benefit to farming corporations, in that it will force farmers to become incorporated so as to prevent their land and homes being gobbled up by the payment of estate tax on the death of the father or owner of the farm.

An hon. Member: Socialism.

Mr. Horner: I hear the remark "socialism". I think this could be compared to the Russian system, under which eventually the government owns everything. It now appears that farmers cannot pass on their farms to their sons, unless they become good corporations. If our farmers get together and set up big corporations, what is going to be the next step—state farms? Is the government going to take over our farms completely and manage their production if they are overproducing? I do not know whether that will be the next step, but if it is I would not be surprised. If the government continue on their present course, I suggest that much of this industry will be lost. It will be lost through overproduction and managed control by those who control the economy, this economy which tends to direct farmers into larger and larger units and to destroy active participation by those same farmers in the government and in their operations generally.

• (8:20 p.m.)

Mr. Benjamin: I am happy I was unable to rise to speak until now because I must confess that all the afternoon, before the supper break, I had the feeling I had lost my temper, and that is not a good state to be in when one speaks in this chamber.

My first thought, after hearing the minister introduce these estimates, was, I must say: "Well, I'll be damned!" When the house moved into committee to hear the minister make his statement on these estimates, it was for one reason. The minister knows very well why these estimates were placed before the committee today rather than next week or the week after. It was to allow discussion of the grain crisis in western Canada. Well, in a speech lasting 20 or 30 minutes, the minister

uttered not a word on this subject. He had no report to give the house as to what action the government had taken, or was contemplating to deal with this situation.

To me, this smacks of a most casual and indifferent attitude on the part of the minister. It is an attitude of unmitigated gall and amounts to an insult to the farmers of western Canada. It is an extension of what happened last May during the election campaign, when the leader of the Liberal party paid so much attention to farm policy that in the course of travelling between Newfoundland and Vancouver he handed one out through the window of his airplane at Winnipeg.

The whole government knows why these estimates are before the committee today. The grain crisis in western Canada, and its solution, involves not only the Minister of Agriculture and the Minister of Trade and Commerce but also the Minister without Portfolio, who is supposed to be in charge of the Wheat Board. Incidentally, I wonder what has happened to some of the other prairie liberals—the hon. members for Assiniboia and Provencher. I make no apology to the hon. member for Fraser Valley East and a few others in this house for talking about wheat at this time.

First, I want to say that the government has received repeated warnings about the situation since mid-September. While it might be said that on September 15 or 20 those warnings were premature, or the fears expressed were exaggerated, they have since proved well justified. Representations to the minister on this subject were continued by the farm organizations, by those interested in the grain industry and by members of the House of Commons belonging to opposition parties. I do not doubt for a moment that there were backbenchers on the other side who also expressed warnings and requested that action be taken. Well, we were given repeated assurances that the situation was in hand.

I wish to refer to three factors in this situation—box cars, grain dryers and terminals. We were assured that the railways were co-operating. Mr. Chairman, the supply of railway equipment for the movement of damp and tough grain is still done on a hit or miss basis. The fact is that not only are insufficient cars being supplied but those which are being sent are being allocated inequitably; the railways are only co-operating to the extent that fits in with their own transportation priorities and requirements. A request was made to the Minister of Industry, Trade and Commerce a few days ago that the government appoint a transport controller with complete authority to assess the situation and the requirements at each shipping point in the three prairie provinces and northwestern British Columbia, to co-ordinate the work of the grain companies and terminals for the receiving, drying, forwarding and storage of the grain and, most important of all, require—and I underline that word "require"—the railways to supply the rolling stock and motive power necessary to move damp and tough grain in record time.

At the moment there is no one person or agency responsible for overseeing and co-ordinating the use of railway equipment for grain movement. Instead there is a confused conglomeration of three government departments, three government agencies, three railway companies, all the grain companies and terminals. All these organizations pass the buck among themselves; none seems to know what the others have done or are doing. The inequities in the allocation of box cars as between shipping points at dozens of locations on the prairies smacks of sheer incompetence and indifference on the part of the railways and of the government. Where the railways have been allowed, under Liberal governments, to cancel or suspend scheduled freight or mixed train service, points on some of these lines all too often go two or three weeks without any local train service at all. This is why they do not get box cars. These branch lines suffer unfair treatment as compared with lines where there is a regular, scheduled train service. This unfair allocation of box cars as between subdivisions and as between individual shipping points is not new. It has been going on since the beginning of the bumper crops in 1950-51, and it has become impossible to accept any longer. When it continues in a situation such as faces us this year, marked by the piling up of so much damp and tough grain, it becomes completely incomprehensible.

Let me cite some specific examples. I mentioned in an earlier debate a shipping point called Tate, Saskatchewan. This is a siding on the Canadian National main line between Semans and Nokomis. There are three elevators with a capacity of 114,000 bushels. Mr. Chairman, not one box car was loaded there from July 5 to October 23.

My next example is Tullis, Saskatchewan. This is a dandy. It is in the constituency of the hon. member for Moose Jaw, and is on a

Canadian National branch line northwest of Beechy. There are two elevators with a capacity of 104,000 bushels, and it has not received one car in the last nine weeks though there are 15,000 bushels of damp grain at this shipping point.

Now I come to Craven, Silton and Lockwood, three shipping points on a Canadian Pacific branch line between Regina and Nokomis. There are five elevators with a capacity of 300,000 bushels. From September 30 to October 28, a period of four weeks, cars received—none.

Next I turn to Dinsmore, on a C.N. branch line in the same general area as Tullis. This is one of the larger shipping points with five elevators, having a capacity of 584,000 bushels. This is one of the larger shipping points. They have 16,000 bushels of damp grain in store in the elevator. It takes them four days to turn it, and then they have to start turning it again. There are 150,000 bushels of damp grain still in the farmers' hands in that shipping district. The grand total of cars loaded between November 4 and December 4—10

• (8:30 p.m.)

Wolverine—I am sorry the hon. member for Saskatoon-Humboldt is not here because this is in his constituency, C.P.R. line between Lanigan and Colonsay, two elevators, capacity 87,000 bushels. Cars loaded since August 1 —seven, five of them on November 2—none since. For five weeks there have been no cars. There are still 91,000 bushels of damp grain in that shipping district. Of the three bushel quota they can move 46,000 bushels, and that will leave 35,000 bushels to be dried locally. The farmers will require an additional two bushel quota to move their grain.

Young, Saskatchewan, C.N.R. main line between Watrous and Saskatoon, and a C.P.R. branch line, five elevators, capacity 430,000 bushels. Between October 26 and November 30, over four weeks, no cars loaded at the four elevators on the C.N.R. tracks and four cars loaded at the one elevator on the C.P.R. tracks. There are 200,000 bushels of damp grain at this shipping point. They can dry 50,000 bushels locally, and it will take 75 cars to ship the balance.

Lucky Lake, in the constituency of Moose Jaw, C. N. R. branch line next point south of Tullis, four elevators, capacity 346,000 bushels. Five cars were received in the past five weeks, three of them on November 2 and two on November 29. There are 25,000 to 30,000 bushels of damp grain in that district.

[Mr. Benjamin.]

Allan, another place in the riding of the hon. member for Saskatoon-Humboldt, C.N.R. main line between Watrous and Saskatoon, five elevators, capacity over half a million bushels. They are all plugged, and again it is taking them four days at a time to turn damp grain in store at those elevators. The last cars received were 12 on November 1. Today is December 5. There are a million bushels of tough and damp grain in the Allan district, and the problem about local drying is that nobody has the cash for it. Some farmers in that district have not even delivered their four bushel units yet. The driers located in that place charge $20 to $45 per hour, depending on capacity, which amounts to ten cents a bushel.

Mr. Chairman, if a few other members of this house will spend the length of time that some of us have, calling country elevator agents, the people who know and who are closest to the problem, they will come up with dozens more places like this. Only the organizational genius of a Liberal government could see to it that, in a country with the two largest railroads in the world, with 40,000 box cars, there would be a short supply of box cars.

I have a telegram here received today by the hon. member for Moose Jaw, from Birsay, Saskatchewan, which reads:

> This point has only had 19 cars for grain loading since new crop year. Elevators plugged and still on unit quota. Some points within 20 mile radius on two bushel dry grain quota. Request you make every effort possible to get cars to this point.

It was sent by Don Kain, President of the Birsay Board of Trade.

I make no apology, Mr. Chairman, for taking up the time of the committee to bring these matters to the attention of the minister. I know that the Minister of Agriculture is not responsible for the allocation of box cars. That matter is supposed to be under the Canadian Wheat Board, but that minister is somewhere else and apparently for him there is no crisis. I know the Minister of Transport has some responsibility for the operations of railways, but that minister too is somewhere else. I know that the Minister of Finance could be helping out with matters financially, but he is somewhere else.

There was a news report in yesterday's *Leader-Post* as follows:

> Federal Grain Ltd. Monday reported survey results showing that about 72 per cent of this year's prairie grain crop, tough or damp as a result of a wet harvest, will require special storage practices if quality is to be maintained.

"The situation in western Canada is even more critical than we first thought," said Federal President G. H. Sellers.

I don't think it could be said that Mr. Sellers is a man who gets excited easily or who cries doom and gloom.

"On an all-grains total of 1,105 million bushels, 800 million bushels are either tough or damp, it was estimated in the survey by 1,200 Federal grain elevator managers."

We are talking about over $1 billion worth of farm produce, Mr. Chairman.

Mr. Sellers said Federal has decided to instal another drier at one of its lakehead terminals and is investigating the possibility of installing more driers at some other terminals.

I suggest they are to be complimented for this. If the government moved half as fast it would be doing better.

That brings me to the question of terminals, but before I refer to that I wish to point out that in spite of the assurance of the government that the railways are co-operating with respect to box cars, this is certainly not the case. I have here the Board of Grain Commissioners figures for car loadings from August 1 to November 30, 1968. Last year in that period car loadings of all grains—wheat, oats, rye, through to rape—if you will pardon the expression, totalled 89,309 cars. In 1968 the figure was 81,490. This shows the great co-operation there has been because this year there have been 8,000 fewer cars moved than in the same period last year.

Let us now move to terminals which come under the jurisdiction of the Minister of Agriculture. I have here car loadings from inland terminals, August 1 to November 30, 1967 and 1968. Things are not doing too badly at Saskatoon terminal. They are working well there. A total of 74 cars have been shipped out of the Moose Jaw terminal, but there were no loads moved out of Moose Jaw inland terminal between August 1 and October 23. In the past five weeks they have shipped 74 cars. Edmonton—big deal—39 cars. They are going to handle lots of grain there. Lethbridge—here is a dandy one—no cars shipped since August 1. There is a grain drier there with a 1,000 bushel capacity. What the hell is it doing? The Minister of Agriculture may say, as the Minister without Portfolio (Mr. Lang), mentioned, that Lethbridge is away south of the trouble. You have only to go north to Red Deer to get damp grain and it can be moved down to the Lethbridge terminal.

Moose Jaw terminal has a capacity of 5.5 million bushels, and I cannot understand why it has a drier with only a 1,000 bushel capacity, yet inland terminals at Edmonton and Calgary have double that amount of grain drying capacity. It passes all understanding. Liberal planning!

We were assured, Mr. Chairman, that the terminal at Moose Jaw was operating seven days a week, 24 hours a day. We have found it has been operating five days a week and not always 24 hours a day. There are not sufficient car loadings of damp grain arriving there to keep the driers operating. There was a hurried meeting a couple of days ago when the minister was in Europe, as a result of which the railways said they would move 140 cars to Moose Jaw by the middle of next week. Last week the minister told the house that they were getting a backlog of cars loaded with damp grain, yet Moose Jaw was not getting enough cars to keep it operating round the clock. The trouble is that there are too many departments, boards and agencies involved, and one does not know what the other is doing.

There is the Robin Hood elevator at Moose Jaw. The flour mill there is closed, but the elevator has a capacity of 1.8 million bushels, and there is no drier there. Why not? Mr. Chairman, grain drying facilities at terminal elevators will be able to handle only about a third of this damp and tough grain. The government has known about this situation for many weeks. In spite of questions asked in the house, and suggestions from other places, it has made no effort to instal additional equipment on an emergency basis at its own terminals. This group, and I am certain other groups in the house, call on the government to institute emergency measures to increase substantially the capacity of its own terminals for grain drying.

• (8:40 p.m.)

We urge country elevator companies both private and co-operative to purchase immediately and to instal additional grain drying equipment, both at their own terminals and at selected country elevator points. The government, if it has not already done so, should immediately call a meeting with the representatives of these companies and officials of the grain companies to persuade them, help them co-ordinate and offer them some incentives to do this. Since wet harvest conditions such as have been experienced this fall occur only once about every eight or ten years on the

average, the nation, the Minister of Agriculture and the government of Canada surely cannot expect the farmers to bear all the cost of making substantial expenditures for grain drying equipment that will sit in their yard for five years out of six, or for six years out of seven or eight years. Surely we cannot expect them to bear that cost.

What has happened is not their fault. It is not the fault of the government either; I cannot blame the government for the weather. If I could find a way to do it, I would. Surely it is unfair to expect the farmers to make these substantial expenditures for equipment that will be used this winter and then sit idle for several years. For the individual farmer, this means thousands of dollars of capital, which he does not have, being tied up in extraordinary equipment which in most years is of no benefit as a capital asset on the farm.

Mr. Chairman, I think I have got beyond the point where I lost my temper and will try to be a little warmer now. I hope the Minister of Agriculture will realize that I sincerely mean what I say. I think he is capable of being the best Minister of Agriculture this country has ever had, but I suggest that until he convinces his colleagues on the front benches, and the Prime Minister, that this is a national emergency he will be stuck with the blame, and no one else. I suggest that everyone in this house and this government must take the basic position that this vast problem is much too large for individual farmers to tackle. If there is spoilage of grain, the loss must be that of the whole country and not just of the farmer. The additional cost of drying is unusual. This is no fault of the farmers and therefore they should not be required to bear it alone. Therefore, government action on a massive scale on a number of fronts is warranted and essential in the national interest. This is the position of the New Democratic party. It is a national emergency because a loss of large amounts of grain through spoilage affects the entire Canadian economy. The first to suffer are the farmers because they have a drastic increase in expenses and a drop in their income which has already suffered a decline this year.

This is a national emergency because it affects stocks available for export in the next two years, which in turn will hurt our balance of payment position. There will be layoffs in the farm machinery and the transportation industries, and a subsequent slowdown in supporting industries. There will be a drop in retail sales. Small businessmen will be hurt and so on down the line. This is a national emergency and must be treated as such by the government. In spite of advance warning as early as mid September the government, to date, has shown the imagination of a doorknob and has moved with the speed of a snail to cope with the situation. In fact it has contributed to the problems of the farm industry this fall by permitting unwarranted increased interest rates on farm loans.

I should like to make some proposals. I know the hon. member for Qu'Appelle-Moose Mountain has already done this, but I have some other positive proposals. First, I suggest a crash program to instal additional grain drying facilities in government terminals both interior, lakehead and seaport. Second, I suggest incentives for elevator companies to instal additional drying equipment, with the government picking up the shipping costs, giving tax credits, and exempting the companies from the tariff and sales tax. Third, I suggest authority and incentives for elevator companies to instal grain dryers at selected country elevator points. The fourth proposal is that a complete and thorough survey should be made in respect of where the damp grain is located, and where the dryers are. Fifth, the government should pay transportation costs for moving dryers from place to place where needed. Then sixth, all available and suitable dryers in the United States should be located, hired, and airlifted to the prairie provinces, with the transportation costs paid by the government. Dryers should be brought in, along with any competent personnel needed to run them, with the rental and transportation costs paid.

My seventh proposal is that because of light weight grain the wheat board should be reimbursed for all dead freight charges on carload lots of tough and damp grain, so that the farmers will not be required to pay for this through the board, or the railways should be required to lower the minimum carload weights on all grains that are out of condition. Eighth, all possible off-track storage such as airport hangars, curling rinks, skating rinks and warehouses should be located and dryers placed there. How about using some imagination, Mr. Minister? The government should pay the cost of fitting such buildings for temporary grain storage. Ninth, the farmers should be encouraged and assisted in respect of the building of homemade dryers.

The tenth suggestion is that at points where dryers are operated under government or commercial auspices the farmers be paid 20

cents per mile, round trip trucking costs for distances over 10 miles to a maximum of 100 miles. Eleventh, the federal government should reimburse the Canadian Wheat Board for all additional costs for transportation, extra storage, handling, and so on, connected with the movement, drying and so on of damp and tough grain. Twelfth, arrangements should be made with all lake and oceangoing shipping companies to leave a maximum number of ships anchored at the lakehead from the time of freezeup until spring breakup. This was done last year and six million bushels of wheat were stored. This could be doubled this time, and the federal government should pay the cost of this additional storage.

There are a number of members in this house who could think of many more suggestions. I ask the minister to think of these ideas, use some imagination and encourage the government to get off its fat backside and make a move in respect of this national emergency. The suggestion that we have until the end of July next year to dry damp grain is damned nonsense. Surely the government will now profit from this experience and also launch some long term plans so that this never happens again. Our terminals are grossly inadequate, both in terms of capacity and drying facilities. The government must begin a program immediately which within five years will substantially increase the storage and drying capacities.

In Saskatchewan the storage capacity of the terminals at Moose Jaw and Saskatoon need to be doubled and the total drying facilities need to be quadrupled. In Alberta at Lethbridge, Calgary and Edmonton the same thing is required. In Manitoba the only terminal is at Churchill. For years everybody has been asking that the terminal capacities there be increased. A new terminal should be constructed at a place like Dauphin or Brandon.

The government must, on a long term basis, encourage elevator companies to carry on similar expansion of their own facilities. I do not think we will ever see the day when there is less than a 700 million bushel carryover of grain in this country. Our farmers are becoming more and more efficient all the time, much to the discomfort of this Liberal government. I urge that the government, in concert with the grain, elevator and railway companies complete research and testing in respect of improved methods of grain handling, types of railway equipment, the loading and unloading of this equipment, unit trains, and dock and terminal loading and unloading facilities.

Mr. Chairman, may I repeat that this is an emergency. It is not something that can be treated casually. I am sorry that only one minister of the crown could be here on a day when they all knew why we were to have this discussion on the agricultural estimates. I hope the Minister of Agriculture will use all his influence on his colleagues so that all the government departments concerned with any part of this problem will get together to coordinate their activities, in co-operative action along with the provincial governments, so that there will be effective action taken to deal with this grain crisis.

Mr. Olson: Mr. Chairman, so that there will be no misunderstanding about the debate that is taking place here in this House of Commons today I wish to make it completely clear that all of the estimates of the Department of Agriculture are before the committee and therefore any suggestion that these estimates have been called solely for the purpose of dealing with one particular problem in the nation is wrong in my opinion.

• (8:50 p.m.)

There is a great problem in western Canada as a result of volumes of tough and damp grain. No one denies that fact. There are also problems of vital interest to the Department of Agriculture in respect of many parts of Canada, and many other products. I say that because I do not want to leave a false impression so far as my attitude is concerned that is, that we are here to have a discussion in respect of grain on the prairies, and only that problem.

Let me now turn to some of the matters which have been raised, by saying to hon. gentlemen opposite and, indeed, on both sides of the house, that they need not continue this debate in an attempt to persuade me that there is a problem in respect of not only damp grain but in respect of many other sectors of the agriculture industry. If they are doing that, they are preaching to the converted, and I accept this.

My next point is that hon. gentlemen opposite should try to come up with some suggestions or guide lines, so far as solutions are concerned. It does not take a great deal of immagination or courage to identify problems. It does take a little bit more to come forward with some kind of well thought out solutions, which in practical terms will

be of economic benefit to the farming community.

An hon. Member: Were you listening?

Mr. Olson: I appreciate the remarks made by the hon. gentlemen opposite about the—

Some hon. Members: Order, order.

The Deputy Chairman: Order, please.

Mr. Olson: I particularly appreciated the remarks of the Leader of the Opposition who led off the debate, when he said in his opening sentence—

[*Translation*]

Mr. Fortin: Mr. Chairman, I rise on a question of privilege.

The Minister of Agriculture (Mr. Olson) says that the opposition does not suggest any solution. He knows the solution to the agricultural. It would be to create an agricultural bank in order to provide—

The Deputy Chairman: Order. I would ask the hon. member to allow the minister to go on with his statement, because there is no question of privilege.

[*English*]

Mr. Olson: Mr. Chairman, I was about to comment on the opening statement of the Leader of the Opposition, that I had opened the debate this afternoon with bland remarks about the entire agricultural industry. Let me say to him with all the charity I can muster, there is nothing bland about my attitude toward the agricultural industry. The hon. gentleman then went further by making the accusation that the country was being flooded with cheap United States corn, and indeed that importations were up something like 20 per cent. He did not give any date in this regard, or any calculation for a specific year as opposed to another. For his information, and I think it is well for the Leader of the Opposition to know these things, the average corn production in Canada from 1961 to 1965 was 42.2 million bushels. By 1966 this had increased to 66.3 million bushels. I am talking about Canadian production. By 1967 this had gone up to 74.1 million bushels, and in 1968 production increased to 78.1 million bushels. There has been a steady and significant increase in the production of Canadian corn.

If one is cleverly selective in digging up statistics he can show where there have been increases in the importation of corn, and also that there have been decreases. I think the Leader of the Opposition might like to have another look at the years he is talking about, because it may be that from one year to another there has been an increase in the importation of United States corn.

Mr. Stanfield: Don't you know?

Mr. Olson: At the same time there has been a steady and significant increase in the production of Canadian corn, particularly in Ontario and Quebec, which has been going into the Canadian market.

The hon. gentleman then went on to indicate there was a 6.4 per cent increase in farmers' costs over last year. I think he must have read the statistics wrong because the latest statistics show there has been a 6.4 increase in the index of farm input. This increase amounts to 2.9 per cent so far as costs are concerned. Perhaps that is even too much. I noticed that the hon. member for Crowfoot did not make the same mistake.

The Leader of the Opposition then complained about the decline in wheat exports this year as opposed to the year before and the year before that. That is true, but let me say this to that hon. gentleman. The 1967-68 crop year was the first crop year for a very long period of time that we were selling to the international market without an international agreement.

Mr. Stanfield: Whose fault is that?

Mr. Olson: Whose fault is that? There were 35 nations involved in respect of the agreement. If the hon. gentleman thinks that Canada has any way of forcing her will on the rest of the world he had better reassess his assessment of the situation. It was not Canada who refused to sign the new international grains agreement in April of 1967. I was not there, but my information is that had it not been for Canada coaxing these nations to come back to the negotiating table the talks would have dissolved and we would not have any agreement today.

Mr. Horner: Canada dealt with industries first.

Mr. Olson: That is only part of the story. What the Leader of the Opposition failed to see is that during 1964, 1965, and 1966 we had the highest levels of grains exports, and at the highest prices, in Canada's history.

Mr. Horner: Tell us why.

Mr. Olson: It may or may not be coincidental that the Liberal government was in office at that time.

Mr. Stanfield: And you are in office now.

Mr. Olson: In any event, those are the facts. Those two years were also associated with the highest crops on record. In 1966 we had almost 840 million bushels, and perhaps through the effort of the government—I prefer to refer to it as the efforts of the Canadian Wheat Board—we were able to dispose of the major part of that crop without building any surplus. In my opinion that was a great achievement.

The hon. gentleman then went on to talk about other problems. So that he will not have to bother looking up the facts for himself, let me tell him also that from August 1, which is the beginning of the crop year, to the end of October we have increased our exports by 25 per cent over last year. Our exports have increased by some 23 million bushels over those of a year ago, making a total for that short period of time of something over 94 million bushels.

Mr. Horner: Would the hon. minister permit a question?

Mr. Olson: The Leader of the Opposition did not bother to do his homework in this respect.

Mr. Horner: Would the minister permit a question?

Mr. Olson: The hon. member will have all kinds of chances to put all kinds of questions.

Mr. Horner: It is just a short question.

The Deputy Chairman: Order, please.

Mr. Olson: I have pages and pages of questions, Mr. Chairman.

The Deputy Chairman: Order, please. The hon. member for Crowfoot is rising on a question of—

Mr. Olson: Mr. Chairman, I should like to answer the hon. member's question after I have answered all the question I already have before me.

• (9:00 p.m.)

The Leader of the Opposition complained that the government did not do anything in the face of some difficulty that the corn producers in southwestern Ontario were having. I tell the Leader of the Opposition that in the face of some difficulty—and he is aware of this—we put on value for duty at the United States loan price of $1.05 U.S. f.o.b. Chicago, on corn entering Canada.

Mr. Stanfield: Where?

Mr. Olson: I can bring a sheaf of letters in here and show that the corn producers and the practical, knowledgeable people in that area claimed it raised their price from 11 cents to 12 cents a bushel within ten days. As a matter of fact, the price of corn in Chatham yesterday was $1.17½ for street, and it is up to $1.21 for May and $1.23 for July futures. So the future is somewhat better. Maybe it is not enough; it is never enough. But this indicates that the Leader of the Opposition is not in touch with the people who know, in that part of Canada.

Some hon. Members: Hear, hear.

Mr. Olson: He then went on to repeat some of the complaints that have been hurled around this house for the last few days about grain drying, and tough and damp grain. He said nothing has been done and the government generally was not living up to its responsiblity with respect to this great problem. I categorically reject that statement. I have spent the last three days in western Canada. I spent some time with the delegates to the Alberta wheat pool convention in Calgary, and at two meetings in Brandon which were attended by farmers from all over the province. The minister of agriculture for Manitoba was there. I have been talking to the minister of agriculture for Saskatchewan today and many times recently. In Alberta there are some other activities going on and it is a little difficult to get hold of the minister right now, but I tried to call him, too.

Mr. Nowlan: Do you have regrets?

Mr. Olson: I say to the Leader of the Opposition that this is one of those kinds of statements that usually are made when you have not bothered looking up the facts. The facts of the matter are that there have been meetings called by the Canadian Wheat Board and the Board of Grain Commissioners in full cooperation with the provincial departments of agriculture, who not only have to, but in fact have assumed a reasonable share of the responsibility for resolving this problem, as has the whole grain industry. They have taken an active part in trying to find solutions to this problem, in time. That is why I resent and reject the statement that the people concerned in the area are not doing anything about it.

There is one other thing, Mr. Chairman. In addition to all the assistance that can be

offered by the federal Department of Agriculture and its agencies, the Wheat Board, the provincial departments of agriculture and the grain trade, there is one other factor, and perhaps it is the most important single factor in reaching a solution to this problem. That is the resourcefulness, the ingenuity and the capabilities of the individual farmer. I would like gentlemen on all sides of this house to know that I put a great deal of faith in the capability of a farmer to look after his own crop. I resent the suggestion made by some hon. members that the farmers are standing back, wringing their hands in the face of this problem, and are not doing anything about it.

Mr. Horner: Who suggested that?

Mr. Olson: That is not what they are doing. That is not the breed of men that I know in western Canada. But of course the fact is that this suggestion is not true. It is not even close to the truth.

Mr. Horner: Nobody said it was true.

Mr. Olson: The implication has been that only the government should solve this problem.

Mr. Horner: Do you want to read that editorial again?

Mr. Olson: The government has never claimed that they were going to move in and do this job for the farmers, and the farmers do not want them to either. They are going to be in there helping. Anyone who has any knowledge about the matter and wants to be objective knows what happens when you have a lot of tough and damp grain. There are many ways of handling tough and damp grain, other than sending it through the elevator channels or buying expensive grain dryers.

I can remember being part of farming operations when we had thousands of bushels of tough and damp grain, before we ever heard of on-farm grain dryers. I can remember in 1942, for example, when shipping was restricted and we had thousands of bushels of it. We managed to keep that grain in condition with grain loaders, and by moving it around when the temperature and humidity of the air were drier. Some of that grain was not sold for two and a half years afterwards, and we never lost any of it. Farmers in western Canada today know that too, and if some hon. members would listen in the right places they would find that the farmers know this. The hon. member for Crowfoot, the hon. member for Qu'Appelle-Moose Mountain and several others know these things. It is amazing to me that they do not tell their colleagues what can be done to keep grain in condition. It can be done by forcing air circulation through it during the winter months, by pumping fresh air into the bins, by moving it from granary to granary, and so on.

Mr. Horner: On a point of order, Mr. Chairman—

Mr. Olson: There is no point of order.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order, please. The hon. member for Crowfoot on a point of order.

Mr. Olson: There is no point of order.

Some hon. Members: Oh, oh.

Mr. Horner: I know that the trained seals are in good form tonight, but surely they will let one speak. The minister suggested—

Mr. Olson: What is the point of order?

Mr. Horner: May I make it, Mr. Chairman, or would you rule first?

The Deputy Chairman: Order, please. I would ask the committee to let the hon. member for Crowfoot state his point of order.

Mr. Horner: The minister suggested that certain members on this side of the house were not informed and had not told their farmers how to dry grain. We are well informed on how to dry grain. Most of us in western Canada are well informed in this regard. We have been trying to convince the minister that because of the unusually large amount of damp grain in western Canada the government should take additional measures to solve the problem.

Mr. Olson: That is not a point of order.

Mr. Horner: Certainly it is a point of order.

The Deputy Chairman: That is no point of order.

Mr. Olson: The only point of order involved here, Mr. Chairman, is that the hon. member has not fulfilled his responsibility in advising his leader about what goes on. But there is one other thing that is damaging to

the farmers with regard to what has been going on in this house during the last few days. This is the fact that some of our customers, because of the publicity that hon. gentlemen opposite are trying to get out of this situation—

Some hon. Members: Shame.

Mr. Olson: Some of this adverse publicity has got to our customers overseas and inquiries are now starting to come in asking us whether the whole Canadian crop is in this terrible condition.

Some hon. Members: Shame.

Mr. Olson: That is not doing the Canadian farmers any good. All I and the Canadian Wheat Board will have to do is to work to repair the damage to the Canadian reputation for having good wheat on hand.

• (9:10 p.m.)

The Deputy Chairman: Order. The hon. member for Saskatoon-Biggar on a question of privilege.

Mr. Gleave: Mr. Chairman, I have no objection whatsoever to the minister putting his points across. We did so previously, now it is his turn. But I do object when he says that we brought up these questions for the purpose of seeking publicity.

The Deputy Chairman: Order, please. There is no question of privilege in what the hon. member said.

Mr. Horner: There certainly is.

Mr. Olson: Mr. Chairman, the hon. member for Saskatoon-Biggar said several times in his speech that I took no action, and so on. That is his opinion and I do not object to his saying so. I believe that hon. members opposite are seeking publicity and it is my right to express my opinion also.

Some hon. Members: Hear, hear.

Mr. Olson: Surely I have a right to express my opinion.

Mr. Stanfield: Go ahead.

Mr. Olson: Let us dispense with these phony points of order and questions of privilege then.

Mr. Horner: On a point of order, Mr. Chairman. It is not for the Minister of Agriculture to say we are seeking publicity.

The Deputy Chairman: Order, please.

Mr. Horner: The Minister of Agriculture suggested someone was raising phony points of order and phony questions of privilege. Let me point out that he himself is doing nothing to improve this debate by making such remarks, because the point of order was quite in order. The minister alleged we said things on this side of the house that we had not said. He was imputing motives when he suggested we were saying these things purely for publicity. I suggest this is definitely a question of privilege, Mr. Chairman. So both the point of order and the question of privilege were in order.

Mr. Olson: Mr. Chairman, all I can say is that I am happy I am not as thin skinned as the hon. member.

Mr. Horner: It is apparent you are thin skinned.

Mr. Olson: Let us get back to the serious points in this debate on a very serious matter. An increasing number of inquiries have been coming to the responsible agencies in Canada about whether or not the whole Canadian supply of wheat is in the damaged condition which hon. gentlemen opposite alleged it is. We will have to do a great deal of work now to repair the damage.

Mr. Horner: Read Mr. MacNamara's report.

Mr. Olson: The fact of the matter is that Canada has adequate supplies of good, dry and high quality grain to fulfil all our commitments. So I say that these attempts at solving the problems by hurling allegations and accusations at someone for not having done anything, or for not having done enough—and in this case the allegations are made mostly against the federal government and its agencies—will not help to solve the problem at all. The magnitude of the whole problem is great; no one denies that. What we need is a very close co-operation and co-ordination among everyone who is involved, including those who are traditionally competitors. That is what we need to resolve this problem. With the exception of hon. members on the other side of this house, we are receiving that kind of co-operation all across the country.

I do not want to repeat what I have said about the efforts of the Board of Grain Commissioners in giving publicity to the matter of drying grain, in holding meetings and that sort of thing. I also mentioned that the Wheat Board did call a meeting and publicized the

fact that it will be necessary for the farmers to keep some of this grain in condition on their farms, because the volume is too great to send it through commercial channels. This is in addition to the work that has been done by the provincial governments, and I give all three of them full credit for having co-operated in attempting, first of all, to make a survey of the number of on-farm grain dryers that they have, and in their other action to co-ordinate the activity of these grain dryers at strategic points so that they can be of maximum benefit to farmers.

One of the most useful functions would be to set up strategic positions in which the dryers that are already in western Canada could be placed for truck turn-around operations, in addition to the grain dryers that are already in commercial positions. In other words, farmers, who do not need to have a quota to do this, bring in their grain, have it dried and take it back to their farms. Otherwise, all kinds of other problems arise if the dryers have to be moved around too much, or if it is done in other ways. I suggested to many of the farm groups that the people who are in the best position to do that are the elevator companies. The reason is that they have the men in the field with the knowledge, the contacts and the expertise with regard to western Canada where this grain is grown, and they have indicated a willingness to co-operate. Of course there are many details to be worked out and administrative and physical problems that cannot be solved in a day. Action in this respect has been taken a little more rapidly in some provinces than in others, but in all the provinces things are moving along and I give them full credit for it.

In so far as the elevators under the management of the Board of Grain Commissioners are concerned, the Edmonton drying operation is going on 24 hours a day, seven days a week, and there is a sufficient amount of grain for the operation to continue on this basis. The Calgary dryer is operating 24 hours per day, seven days per week. Sometimes insufficient grain is available, but 80 cars of damp grain are expected there at the beginning of next week. The Saskatoon dryer is operating 24 hours a day, seven days a week, and occasionally running out of grain, but it is expected to have sufficient carloads for continued operation by the middle of next week. The Moose Jaw dryer is operating 24 hours a day, five days a week, but, as has been pointed out, they have run out of grain. They will be receiving 140 cars of tough wheat by the first or the middle of next week. Let us bear in mind that Moose Jaw is not in an area of damp wheat, and also that the volume of tough grain is limited; so it has been difficult to set up the machinery to keep this moving through smoothly.

The hon. member for Regina-Lake Centre knows as well as I do that it is not possible to set out a policy for the movement of such a large volume of grain and make all the arrangements to put it into motion immediately. This is not the way it works. It takes a little more time than that to start the whole thing moving swiftly and smoothly. He might remember that in the fall of 1965, when the problem was not with wet grain but rather with getting sufficient volumes of grain into export positions, it took up to ten weeks before all these problems had been worked out, and co-ordination was achieved in moving this grain through all the channels into export positions. We did not have this problem last year, and in fact we have not had it since 1959 in great magnitude.

The hon. member for Crowfoot knows that you do not suddenly decide one day that you are going to give a three bushel quota for tough and damp grain and the next day everyone must deliver. It does not work that way. The problem is much greater than that.

Mr. Horner: How many times has the western grain transportation committee met? Once in the last six months.

• (9:20 p.m.)

Mr. Olson: Anyway, Mr. Chairman, the fact is that a great deal has been done. The work on the arrangements for the fiscal movement of this grain started several weeks ago and the movement in and out of dryers has been building up. So far as I am concerned, the co-operation from the people in the field has been excellent. There will be some places where more could be done. I do not claim we have done everything that could be done, but it is a long, long way from the truth to say that we have not done anything.

I want to turn to another subject, and that is the matter of family farms raised by the Leader of the Opposition. He wondered if we had concern for family farms. We certainly do. I want to tell him for example, that the Farm Credit Corporation—

The Deputy Chairman: Order, please. I regret that I have to interrupt the hon. member because his time has expired.

Mr. Stanfield: The minister is so entertaining, and he may give us some information later, so let him keep on.

Mr. Olson: I thank the committee for that. I have a lot of questions to answer and I shall do so as quickly as possible. I was about to tell the Leader of the Opposition that the credit extended by the Farm Credit Corporation in 1963 amounted to $96 million, and by 1967 it had gone up to $251 million. This is a rather significant increase. In so far as crop insurance is concerned, in 1963 the average for family farms was in the neighbourhood of $16 million and by 1967 it had gone up to $187 million. One can see, therefore, that these programs are designed specifically with the family farm in mind. There has been a great deal of response to these programs by those in these farm units.

The Leader of the Opposition also had something to say about the national congress on agriculture.

Mr. Stanfield: Why don't you deal with the point I made about family farms, if you are going to talk about them?

Mr. Olson: You mean about succession duties?

Mr. Stanfield: Yes.

Mr. Olson: Well, the hon. gentleman knows very well that there were no succession duty changes that were different for farmers than for any other citizens in Canada. It is the responsibility of the Minister of Finance to deal with matters relating strictly to finance, and which apply to all citizens of Canada. There is no discrimination with regard to those small farms or small businesses, so it seems to me that the Leader of the Opposition has the same access to the Minister of Finance as I have and could make these representations to him.

Mr. Nowlan: Did the Minister of Finance talk to you before he brought in these taxes; that was the question?

Mr. Olson: The Minister of Finance and I have a number of conversations on a number of things.

Mr. Stanfield: Will the minister permit a question?

Mr. Olson: Certainly.

Mr. Stanfield: Is he concerned about the effect of these taxation proposals on the family farm, or is he not?

Mr. Olson: Mr. Chairman, the answer to that question is yes. I might say that, as Minister of Agriculture, I am concerned about all things that affect the well-being of people who are involved in agriculture.

The Leader of the Opposition had some remarks to make about the national congress on agriculture. He felt there would be some disability suffered because of the failure of the two farm organizations to nominate someone to the steering committee. I should like to advise him that there were, we felt, a reasonable number of positions created on the steering committee; I think there were five. We asked the ten provincial departments of agriculture to nominate one representative on the committee. They got together and did nominate one person to that committee. We asked the processing and marketing groups in the country to nominate a representative to the committee, which they did. We asked the farmers union and the Canadian Federation of Agriculture to nominate someone to represent them on the steering committee. I have the letters, if the hon. member would like to see them. Both organizations wrote back and said they could not agree on who it should be, so they nominated more than one person. Well, there was only one position vacant. It seems to me the Leader of the Opposition should recognize that if ten provincial governments of different political stripes could get together to nominate one person to represent them on the steering committee, surely it was not expecting too much for two farm organizations to do this.

I believe it was the hon. member for Crowfoot who said—and these are not my words—that it is well known there is some disagreement between these two organizations. I do not endorse that. If there is, I do not think it should be transferred into the steering committee, when we are trying to set up a national congress on agriculture.

The Leader of the Opposition said we should have some projections made for 1975, and even beyond that. I want to tell him that I have with me an agricultural projection prepared on an international scale by the OECD. The ink is hardly dry on it because we got it in Paris last week. This projection was prepared in co-operation with all countries within the OECD area—Japan, North America, most of western and southern Europe. What the hon. member is suggesting we should be investigating, in fact, has already been done.

Mr. Horner: That does not include the communist countries.

Mr. Olson: We have some information on them, too. Unless there is a higher level of agreement in the international field with regard to co-ordinating national policies and to adjusting some of the incentives to give consideration to the subsidies, these long term projections in so far as agriculture is concerned are not very optimistic for some commodities. There are some commodities of course where things are somewhat easier. With regard to dairy products, for example, and cereals, there are some very severe problems, unless some political decisions are reached to change some of these incentive subsidy programs. I have no fear for Canadian agriculture. We can compete on a practical basis with anyone in certain crops that we grow well. I am deeply concerned about competition between national treasuries in connection with these subsidies.

I will be the first to admit, because I am directly involved and probably spend more hours than anyone else in this house on the problems of agriculture, that there are some very difficult problems. For example a reference was made, I believe by the hon. member for Saskatoon-Biggar, to the outlook conference which was held in Ottawa on November 25. If you took all the documents and made a summary of them you would find the outlook conference concluded that Canadian farm income cash receipts will rise, because of increased returns from the livestock sector. They concluded also there would be little change in cash crop returns. So far as crop insurance is concerned, the coverage taken up in 1969 is expected to increase. So far as seed costs are concerned, there is likely to be no increase in expenditures for seed. Of course, we have had above average production of wheat, and this is good.

On the marketing side, we admit that there are some problems. As I said before, for the first three months of this crop year our exports were up 25 per cent over the same period a year ago.

The outlook conference indicated that corn production in Ontario and Quebec will continue to rise. It also indicated that, with respect to apples and fruit, prices should be up, this because of some smaller crops. Increased marketings of honey are cutting into supplies, but the indication is that prices will strengthen in 1969.

[Mr. Olson.]

• (9:30 p.m.)

In regard to processed fruit, packs were lighter and higher prices are expected. So far as processed vegetables are concerned, except for tomato products and perhaps peas and corn, prices will likely be stronger. With regard to sugar beets, a stabilization payment on the 1968-69 crop is likely, and grower returns may average above the support level.

As far as beef is concerned—and this is one of the bright spots—beef supplies in 1969 will be higher than in 1968, but a continued strong demand will sustain prices. With respect to hogs, marketings in 1969 will be below the high 1968 levels, although it is not expected that prices will rise very much above the present levels. However, they are at significantly higher levels than they have been for some time.

Prices of lamb and veal are expected to remain relatively high. Production of chickens will likely rise at steady prices, without any break in those prices. We anticipate a further increase in the demand for turkeys, which is expected to warrant a 5 per cent increase in production for the next year.

As far as eggs are concerned, there are reduced marketings and higher prices are likely in 1969 until mid-year, when there may be some seasonal decline.

So it is not all dark clouds on the horizon as far as agriculture is concerned. I do not want anybody to say that I said "You never had it so good"; but if hon. members are going to be objective in looking at the whole agricultural picture they must admit there are some reasonably bright spots, along with the troubled areas.

I have already trespassed on my time, Mr. Chairman, but I hope hon. members will not mind if I take two or three more minutes to answer the points they have raised.

The hon. member for Bellechasse suggested that there be a substantial increase in the estimates for the Department of Agriculture. I would be the last one in this house to disagree with that. However we must bear in mind that this has to be balanced against the needs and requirements of all other sectors of the economy. As far as the estimates are concerned, they are up slightly from the estimates for last year.

I should like to thank the hon. member for Fraser Valley East for his very constructive remarks.

Some hon. Members: Oh, oh.

Mr. Nowlan: Explain.

Mr. Olson: It is true, and I can explain that statement in a couple of sentences. If hon. members really want to be objective and get at the root of solving these problems, then I suggest that what the hon. member for Fraser Valley said is far more beneficial in the search for solutions than all the whining and complaining that went on from members opposite.

The hon. member for Qu'Appelle-Moose Mountain tried to impress upon me that there were problems with grain drying. I acknowledged at the outset that this was a problem of great magnitude. The hon. member suggested that certain services be provided by the Board of Grain Commissioners. I want him to know that these services are already being provided and that we are going to expand them as rapidly as we can. This service on the part of the Board of Grain Commissioners is free, and is directed as much as possible to what you might call quality control, offering advice and that sort of thing, in order to see no serious mistakes are made which would damage the quality and grade of the wheat.

The hon. member also suggested that the F.C.C. declare a moratorium on payments. I would advise the hon. member that we are not prepared to do this. However, we have, and have had for some time, a regulation whereby anyone who has been severely adversely affected by weather conditions can apply to the F.C.C. for deferment of his payment. If just cause can be shown for deferring the payment, then permission is granted.

The hon. member for Madawaska-Victoria, I believe it was, inquired about setting up a potato marketing board. May I tell him that the task force is looking into that matter. But even more important than this, in co-operation with the provincial ministers we have, in my view, made a great deal of progress toward finding a way, legally and technically, of empowering a national marketing board to take this step. We are not particularly concerned whether this means a transfer of jurisdiction in this particular area from the provinces to the federal government, or whether some contractual arrangement is made. But if this action is taken, we want the result to be workable. Throughout the meetings that we had with the provinces going as far back, in my experience, as July, a great deal of progress has been made, and there has been a meeting of minds in an attempt to resolve this problem.

The hon. member also suggested that there has been a reduction in potato acreage in New Brunswick; or perhaps he was inquiring whether there had been, it was not clear. During the five year period from 1961 to 1965 the average acreage of potatoes in New Brunswick was 53.6 thousand acres, whereas in the current year it is 61,000 acres. So there is no indication that it is down this year from that average.

I now come to some of the matters raised by the hon. member for Crowfoot. The hon. member complained that there has not been enough active sales promotion. I do not accept that statement. The Canadian Wheat Board do not announce to the world where they send their agents to try to sell grain. He complained about the Minister of Industry, Trade and Commerce being away in South America and failing to sell grain. How does the hon. member know that the minister was not trying to sell grain down there? I would be very surprised if he were not.

Mr. Stanfield: He told me that he was not.

Mr. Horner: I never said that. We have never sold grain to South America.

Mr. Olson: Well, Mr. Chairman, I suppose we would be criticized if we did not explore every possibility of selling grain, whether in South America, Asia or anywhere else.

The hon. member also complained about a drop in flour exports. I am as concerned as anybody about lagging flour exports or any other commodity, but I do not think the hon. member is justified in suggesting that the Canadian Wheat Board is not doing a good job of sales promotion.

The hon. member also complained about research, and said we were lagging behind. I think he read from the report of the Economic Council when he suggested that we were lagging behind the research efforts of the United States, or wherever it was. I wonder whether the number of scientists per million acres or the number of dollars spent on research, and so on, is really the measure. In this context the hon. member was talking about cereal plant breeding, I think. As far as hard wheat is concerned, more new varieties have been developed in Canada than in any other part of the world. So I do not think we need apologize for what our researchers have been doing in this area.

The hon. member also talked about the steering committee of the conference next March and suggested there was insufficient representation, but I have answered that.

The hon. member also brought up the matter of beef, and said that partially cooked beef was coming in from the Argentine. May I advise him that this is fully cooked beef in sealed tins or sealed polythelene wrappers, not something else.

May I thank the committee for allowing me to speak over my time. If I have missed any questions, I am sorry and I will try to answer them during the next few minutes.

• (9:40 p.m.)

Mr. McCutcheon: Mr. Chairman, I will try not to hold up the proceedings unduly but there are a few questions I should like to ask the minister. Two concern items that originated with his predecessor, the former minister of agriculture. Item No. 1 concerns the promised $60 per acre for not growing sugar beets—the phasing out program. This indirectly affects the minister, because shortly after parliament convened in September I asked him when the farmers could expect the $60 payment they were promised by the previous minister on June 10, 15 days before the federal election. His reply was to the effect that payment had been held up due to lack of information as to those eligible. That was quite acceptable. About one month later I inquired again. The minister advised me that lists of those eligible had been received and that the department was working on them. I naturally assumed that payment would soon be expected. In fact this was inferred. I am a patient man. I waited another month before putting my question again. I was then told by the minister that payment could not be made until it had been authorized by parliament. In other words, the undertaking which the previous minister of agriculture had given to the farmers of southwestern Ontario was not worth the paper it was written on. I do not blame the present minister in any way, shape or form, and I will say nothing more about it if he can tell me that provision is made in these estimates to get those cheques out promptly.

Mr. Olson: We have examined this question as to whether we can legally pay these amounts without a vote title, or a supplementary estimate. The Department of Justice advises us that we need a supplementary estimate. I am prepared to submit that. I should like to tell the hon. gentleman that we now have all the data required to determine the total of the amount required and we expect it will be just short of $1 million.

[Mr. Olson.]

I should like to correct one impression. The purpose of this is not to make a payment for not growing sugar beets; it is to assist people in getting into some other crop, during the transitional period, because a plant closed. And that was not the responsiblity of the federal government.

Mr. McCutcheon: I fully accept that. If the minister had been listening carefully he would have heard me use the phrase "phasing out program".

There is one other item to which I should like to refer, and that is the final payment in relation to the last crop grown in 1967, in other words, the final settlement. Normally this final settlement is made considerably earlier in the year. Indeed in 1965 it was made in late October, just before another federal election. Why the delay? It is my understanding that this comes under the stablization board, and as such there is no need to wait for a supplementary estimate.

Mr. Olson: Would the hon. gentleman wish me to answer that question before he continues?

Mr. McCutcheon: I would appreciate it.

Mr. Olson: It is true that payments have been made earlier in final settlement, but not under the present formula, and further information is still needed before we are in a position to make the final payment. However we expect that it can be made reasonably soon—perhaps within two weeks, or four weeks. The hon. member can decide whether this is "soon" or not. We do not need vote title for these payments; we already have sufficient authority.

Mr. McCutcheon: Thank you. There is another item I should like to deal with. The minister himself alluded to it this afternoon. I was about to ask the hon. gentleman what happened to the Barber commission on farm machinery. This is so ancient that when it was organized it was called a commission. I noticed this afternoon the minister referred to it as a task force, in line with the new nomenclature. I submit we should by now have been given an interim report. If one had been made, perhaps it would not have been necessary for farmers to import tractors from the United Kingdom at an estimated saving of between $2,000 and $3,000 per unit. Surely we are entitled to know something about the causes of this obvious disparity in prices. My

farmers want to know how this comes about. There are many who suggest there must be pressure from high financial circles and that this is causing undue delay.

I am not one who sees sinister motives behind everything, but my tolerance is being strained to the limit by current developments. I should like to refer to one suggestion I have heard, namely that this government of which the minister is a member has placed an embargo so as to prevent farmers duplicating the effort they made in Toronto a few weeks ago in importing these tractors. If the interest of the farmers is paramount—and I think it is a big "if"—cannot some report be made as to the terrible disparity which now exists in prices? Why should it have been necessary for a group of farmers to take the action they did in importing tractors from the United Kingdom to Canada at a reported saving of $20,000 on seven tractors? I am more confident than ever that there are forces at work in this country, and indeed, in the world, against the welfare of the farm segment, and I think this should be investigated. But investigation is one thing; reporting on the results of the investigation is another.

The high prices of farm machinery are not being brought about by our own Canadian dealers across this country, most of whom deserve our sympathy rather than condemnation. The mortality in this business is unusually high. Last week I was shocked when I returned to my home to hear of two more business failures among farm equipment dealers, and this in an ever-lengthening list. Most of these dealers are financially involved, up to their necks. The big suppliers stand to lose very little, because most of the dealers have been forced to co-sign and are responsible for time payments in the event of default.

• (9:50 p.m.)

I suggest that the pattern of government, indeed the aim of government apparently is to provide the cheapest food, in abundance, for consumers. If this is the aim I do not argue against it; but this being the aim, then I submit that every consideration should be directed toward helping the producer reduce his costs. Instead of that the reverse seems to be the case.

We have free trade in farm equipment between Canada and the United States. This pertains supposedly as well to used equipment and so, with the tremendous volume of equipment used in the United States, many people, particularly from my area, who were short of cash, went to the United States and purchased some of this used equipment. There was greater variety available, and in many cases tremendously lower prices.

I am thinking of the tremendous auction sale held bi-monthly at Archibald, Ohio, where some of my neighbours were able to pick up machinery that would do them, at vastly reduced prices. Indeed, some of the dealers down there also transacted quite a bit of business in this regard. But this was not the case for long. The revenue department, under excise, found some obscure way of taxing these transactions, so that this alternate source of equipment has nearly dried up. This has had the effect, minimal though it might be, of increasing costs. The commission should have some information on this phase of agricultural costs, and moreover should be reporting it.

Returning to the farmer imported tractors from the United Kingdom, one of the disturbing features is the fact that some of these machines are manufactured by great international concerns, and many are assembled from parts made in different parts of the world. An expert on farm equipment tells me that in some machines a transmission case might be cast in England, the differential might be cast in France, and the final machine could conceivably be assembled in the United States. If this is the case, how does the minister account for the tremendous differences in price? There are too many unanswered questions here in the mind of the farmer, with his back to the wall, caught in the cost-price squeeze. Hopefully the Barber commission may shed some light on this, and I was happy to learn, if I heard the minister correctly, that that commission's report will be published early next year.

Machinery costs are one factor in the cost of doing business but there are several others. A new word has crept into our vocabulary and all the experts are using it—inputs. I take it to mean all the items that go into the cost of production. This being the case, then commercial fertilizer is one of these inputs.

I am concerned, as many people are, about the great spread between farm costs in Canada and those in the United States. This is another factor that weighs heavily on the competitive position of the Canadian farmer. The fact that potash produced in Canada is reportedly selling for one third less, and even

greater discounts, in the United States than is current here, demands an urgent investigation. I know the minister is aware of some of these discrepancies, and indeed said in this chamber that there is nothing to prevent Canadian farmers going to the United States and buying their fertilizer there. Well, we will soon know, but I suspect from information coming to me that there may be a few roadblocks. As a matter of fact I think some road blocks are already being thrown up. Imagine, if you will, potash brought to the head of the lakes from Saskatchewan, shipped by boat to Ohio, and sold to Ohio and southwest Michigan farmers reportedly at $20 per ton less than farmers in southwestern Ontario can buy it.

Here are some examples of the advertised fall list prices for southwestern Ontario compared with Ohio and southwest Michigan prices. It covers a variety of fertilizers. The first one is 6-24-24. The Canadian price for it is $91.50 per ton bulk, and the U.S. price $53. The bagged price in Canada is $96.50 per ton, and in the United States $57. Let us take another analysis—8-32-16. The Canadian price is $101 per ton bulk, and the U.S. price $58. The Canadian price bagged is $106 and the U.S. price bagged $62. Urea 45 per cent nitrogen has a Canadian price of $116 bagged, and the United States price is $69.

This is too large a spread. Our farmers cannot be expected to compete with this spread. For example, many farmers in my area use as much as 500 or 600 pounds per acre, yes, even up to half a ton or more. Of course many use less, but if you use an average of, say, 300 pounds per acre of 6-24-24 then our farmers' cost is $14.46 per acre compared with $8.55 in the United States, a spread of $5.91. That is the disadvantage the Canadian farmer is at, just on that one input.

Recently, Mr. Chairman, a very large chemical plant started to manufacture nitrogen fertilizer close to my home area. It has been suggested that this Canadian plant may well be supplying the U.S. fertilizer company that offers Urea at $69 per ton compared with a Canadian price of $116 per ton. This is about the same kind of deal there is in the U.S.-Canada automobile pact, where an automobile manufactured in Oakville sells for $300 or $500 less in Buffalo than it does in Hamilton.

Mr. Smerchanski: Would the hon. member permit a question? Is he speaking of dealers' price, manufacturers' price or distributors' price?

[Mr. McCutcheon.]

Mr. McCutcheon: If the hon. member would care to wait until I finish he can ask me this question again.

The Deputy Chairman: Order. 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.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Olson: Mr. Speaker, I wonder whether I may be permitted to advise the house, as acting house leader, that the estimates of the Department of Fisheries will be called for tomorrow instead of the estimates of the Department of Transport as was announced earlier by the President of the Privy Council. I understand that this is in compliance with discussions held between parties and the suggestion made in the house earlier today.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if the consideration of the estimates of the Department of Fisheries should be concluded, what other department would we move to tomorrow?

Mr. Olson: Well, the second reading of the Bretton Woods agreement I understand. There are several other matters that could be taken up. I am advised by the President of the Privy Council to make this announcement at this time so that hon. members will be advised. Perhaps the house leader for the New Democratic party would know what else. However, earlier today the indication was that the Department of Fisheries would take all day tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

HOUSING—TORONTO—REQUEST FOR REPORT ON MALVERN PROJECT

Mr. John Gilbert (Broadview): Mr. Speaker, on Friday November 30 I asked the following question on the orders of the day, as reported at page 3307 of *Hansard*:

> Mr. Speaker, my question is directed to the Minister of Transport who is in charge of housing. What progress, if any, has been made with regard to building homes at the Malvern project in order to ease the housing crisis in Toronto?

As a result of that question I was directed either to put it on the order paper or discuss it on the adjournment debate. I also asked a supplementary question which reads as follows:

> Will the minister consider appointing the former mayor of Toronto, now the hon. member for York West (Mr. Givens), to be in charge of this project? Otherwise the housing policy may well be a charade.

I asked these questions because back in 1953 a 1,662 acre parcel of land situated at the corner of Sheppard and Markham Road in the township of Scarborough was jointly acquired by the federal government and the provincial government of Ontario and set aside for public low cost housing. Then in 1954 the Ontario government announced it would build 5,000 homes on this site. Fifteen years later not a single house stands on this land. On January 12, 1967 Mr. Randall, on behalf of the Ontario government, announced that work would begin immediately. No action was taken in that year. On August 28, 1968 Mr. Randall stated, as reported in the *Globe and Mail*:

> The time is now ripe to develop the (Malvern) area . . . Sewers, water and roads are within close proximity. Our partner, Central Mortgage and Housing Corp., is only now willing to go ahead with the scheme as is the municipality of Scarborough and we will proceed with all possible speed.

This was on August 28. The latest rumour we have is that the building will commence in January of 1969. This is the reason I asked the Minister of Transport (Mr. Hellyer), who is in charge of housing, for a report.

Thirty thousand new public and private homes could be built on this land. The Home Ownership Made Easy plan of the Ontario government could be implemented in respect of this project. With the serious housing crisis we have in Toronto, particularly in respect of public housing, this project would help to ease the situation.

Earlier I suggested to the minister that the former mayor of Toronto, now the member for York West (Mr. Givens), could be put in charge of the federal housing responsibilities. Thus far the former mayor has had difficulty in applying his administrative talents in Ottawa. It was the mayor who said before the finance committee last week that this committee was a charade. I have no desire to have the former mayor of Toronto say that the housing policy of the federal government is a charade.

I had hoped the minister in charge of housing would be present to give a full reply, but I am sure the hon. member who will reply will deal with this matter adequately. It is for that reason I took only five minutes, so as to give him more time to deal with this serious question.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I hope the information given to me by the office of the Minister of Transport (Mr. Hellyer) will shed some light on this Malvern housing project to which the hon. member for Broadview (Mr. Gilbert) has just referred. I am sure the hon. member knows that the Malvern lands were purchased by both governments, and that the feasibility study was sponsored jointly by the federal and provincial governments in 1967. This led to the appointment of consultants in March of 1968, with the request that they prepare a development plan. Provided a plan of subdivision can be registered by mid-1969, it is expected that the installation of services will be under way by the end of that year. The appointed consultants have the responsibility for the design of services and also the supervision of their installation. Actual house construction should follow immediately after the installation of services. I should like to assure hon. members that work on the Malvern lands is proceeding steadily and that I believe this project will be a great success.

I should also like to bring to the attention of hon. members the fact that the provision for more housing for the Canadian people is steadily increasing. Earlier this week the president of the Central Mortgage and Housing Corporation told a housebuilding conference in Toronto that housing starts in Canada will reach a record total of 190,000 this year, compared with 164,123 last year. This is good news following the previous forecast of 175,000 housing starts for 1968.

Urban housing starts for the first 11 months of this year totalled 147,076, up 19.5 per cent from the corresponding period last year. As a member of parliament representing a Toronto constituency, I am very happy to note that in metropolitan Toronto 34,207 housing starts have been achieved in the first 11 months of this year. This figure already exceeds the total for the whole record year of 1965.

Furthermore, I believe that greater achievements in the housing field will be made after the Minister of Transport puts into motion some of the excellent recommendations made to the federal task force on housing.

Proceedings on Adjournment Motion

RURAL DEVELOPMENT—REQUEST FOR TABLING OF ARDA REPORT ON INDIAN POVERTY AREAS

Mr. Robert Simpson (Churchill): Mr. Speaker, on Tuesday of this week I requested permission to table a special report concerning Indian people. That request was apparently not acceptable, mainly because of the actions of government members. I propose to discuss this matter at this time. The hiding of this report is just one more symptom of the insistence of privacy on the part of this government.

• (10:10 p.m.)

The Indian Act is under review, and hearings are relatively public. That is a good step as far as it goes, and we applaud it. But the public approach to the Indian Act is the exception. The rule of this government is to meet in private and to make decisions without adequate consultation. We saw that in regard to the reorganization of the Department of Indian Affairs, and we are seeing it again now. This is a most important report. It is highly critical of the present government, which it describes as "a paternalistic and custodially attuned administration, which has resulted in the failure to arrive at any positive policies and goals, and any comprehensive attack... to alleviate the present disadvantaged position of the Indian people."

Therefore, in this report officials of the government itself condemn the government's own policy in exactly the terms that we and spokesmen of the native people themselves have used. Government policy is condemned by its own officials as being paternalistic and inefficient. That is an important fact because it proves that there is virtually unanimous agreement that the policies of the department of Indian affairs have kept the native people down. The report states the conclusion that "fundamental changes in the direction of federal policy and in the roles of the federal and provincial governments will be necessary before the gap"—between the Indian and the average Canadian—"will begin to close."

This report goes on to suggest a different approach. It points out the importance of using, adapting and co-ordinating existing policies of regional development, health services, manpower and other policies to help the native people. It refers to the serious fact that present policy creates among the native people a sense of separateness which is bound to breed prejudice and inequality. It says that the centralization in the Indian affairs branch has "in practice blocked the provinces and other federal programs to Indians, and more particularly, those programs developed to facilitate the relief of economic disadvantage."

[Mr. Haidasz.]

The report points out that the income gap between the Indian and other Canadians is growing larger, not smaller. It emphasizes the importance of co-operation with the provinces and suggests the provinces will need money as well as encouragement from Ottawa before they are prepared to actively initiate new programs. It recommends the establishment of a special joint committee comprising "as a minimum, representatives from the Indian affairs branch, the rural development branch and the social development group of the privy council office." It suggests this committee should be struck as soon as possible and should prepare a comprehensive submission to outline strategy and examine both policy and financial implications of various programs.

This report is not a blueprint, of course. It does not have all the answers, and some of its suggestions need study and discussion. But it is a report with some authority, prepared by senior people with extensive experience in public service. It is a report which would be helpful to every group concerned about the condition and prospects of our native people. It is a report that should be made public.

This government has talked about involvement and participation. Obviously it says one thing and does another. The government promises involvement, and then it hides reports. This report will not stay hidden. Although I have been denied permission to table it in the house, we have had some copies made at our own expense and they will be available to representatives of the press and the native people's organizations.

Mr. Chairman, it is important at any time for the public to know what is going on and to have a chance to influence policy. It is especially important in respect of this problem, because it is a matter of great concern to people across the country. It is a question in which Canadians are prepared to become involved, if the government will lift the cloak of secrecy. Even more important, it concerns a group of people who for too long have been denied a voice in their own affairs. Let me quote one last passage:

> Concerning the development of leadership and of social organization, the potential represented by the band councils and the Indian organizations has been more or less ignored, even stifled.

The custodial practices of the federal government have, in short, taken from the Indians all capability to influence and to spell out for themselves the decisions which determine the conditions of their existence. Among other consequences, this approach has engendered a suspicion and a profound lack of confidence concerning all government efforts aimed at effecting changes in their way of life, and paradoxically at the same time it has resulted in attitudes of passivity and a greater and greater dependence on the Indian affairs branch.

I can only say in conclusion that in refusing to publish this report the government is revealing its paternalism once again. It does not trust the native people. It does not even trust parliament. The government should know that it will not be judged on its words but rather on its deeds.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, I want to answer the question very quickly in the three minutes I have under the rules. I will say initially to my hon. friend from Churchill that there is no report intended for the purposes which the hon. member has mentioned. However, before I go into details I wish to say, in fairness to the hon. member for Winnipeg North (Mr. Orlikow)—and I put this on the record—that earlier in this session, on October 10, in a notice of motion for the production of papers he asked—

—that an order of the house do issue for a copy of the report prepared by ARDA dealing with poverty among the Indians of Canada.

I discussed that with the hon. member for Winnipeg North and told him what I am going to tell my friend from Churchill tonight. He agreed, and the motion was withdrawn.

I think, with all due respect to the hon. member for Churchill, that he does no service to the native people, nor does he do any service to the parliamentary process when he quotes from a report that is still under consideration and that is indeed one of many interdepartmental reports that were never intended for publication, but in fact are for the consideration of departmental officials and the minister in the eventual formation of policy dealing with native peoples. As I indicated earlier, no such report had ever been tabled in parliament, nor was there any intention other than that of providing a basis for consideration, together with many other interdepartmental reports for the consideration of officials of the department and the minister.

It is difficult for me to know, from what the hon. member has said, exactly what report he is referring to. As I indicated, there have been several reports along this line but I have been able to identify the report which was for interdepartmental study. It was not designed for publication, and may I repeat that it is not doing a service to our departmental or our parliamentary process to pick this particular report out of several. It only creates confusion among those who are concerned, confusion in this house and confusion among the departmental officials who have to deal with this matter and report to the minister. I think it is particularly unfair to those officials to have singled this report out of many.

SPORTS—HOCKEY—ASSISTANCE TO CANADIAN NATIONAL TEAM

Hon. W. G. Dinsdale (Brandon-Souris): One of the main characteristics of the new government that was elected last June 25 is a growing tendency to delay action on important issues. The question I wish to bring to the house tonight concerns the financial assistance which, over recent years, has been made available to the Canadian Amateur Hockey Association to assist in the support of Canada's national hockey team. I raised this question on Tuesday but there was no answer at that time in the house.

• (10:20 p.m.)

Mr. Munro: You were ruled out of order.

Mr. Dinsdale: As the minister has just stated, I was ruled out of order; this is quite correct, and I raised a question of privilege yesterday. However, I understand that the minister did make a statement outside the house. This is the first opportunity I have had to bring the matter once again before the house, under the rules, to see if we could have a statement from the minister in this chamber.

The C.A.H.A. a few years, in attempting to deal with problems that had become particularly difficult and embarrassing for Canada, with the assistance of outstanding Canadians such as Father Bauer, organized a national hockey team for international competition. All Canadians pride themselves on the fact that Canada has established an outstanding reputation in hockey, which we regard as our national sport. There are some of course who would dispute that and say lacrosse is our national sport. I am not going to debate that

point. I think we all recognize Canada has established an outstanding record in hockey. Indeed, hockey players are one of our main exports to the United States.

This national hockey team system has been assisted by means of grants that have been made available under the physical fitness plan. While this was an improvement over the old system, it was recognized by the C.A.H.A. that it still was not satisfactory. They have been pressing for the establishment of a more effective permanent system of providing an outstanding Canadian team for international competition. They have recommended, for example, that a Canada hockey corporation be set up, which would involve distinguished citizens interested in the promotion of Canadian national hockey competition, and which would provide possibilities for assistance by private citizens of Canada's amateur hockey team. Unfortunately there has been no progress in this direction, largely because it requires certain legislative action on the part of the government.

However, this year we do have two national hockey teams preparing for international hockey, one in the east and one in the west. At the moment, one of the teams is engaged in important international competition. Unfortunately, because of the delay in sending the usual grant from the physical fitness fund, the C.A.H.A. finds itself financing on the basis of bank loans. I am sure that all the members in the house, all the people of Canada, feel that this is placing an unnecessary additional impediment in the way of Canada's participation in international hockey competition. I trust that the minister, in his reply tonight, will be able to inform the house and Canadians generally that these grants will be forthcoming. I do not know what the reason for the delay is. I am sure funds are available. I am sure we all agree that we have to improve even further the method of bringing together teams of Canadian amateurs.

I would hope the government would be able to assist the C.A.H.A. through legislative action in achieving the goal they have been striving toward for two or three years, the establishment of a Canada hockey corporation. Until that happy eventuality, I think it is most important that we do everything we can to boost the morale of our young Canadians who are competing by at least making certain that the usual grant is forthcoming at the earliest possible moment, and supporting them financially to this extent.

[Mr. Dinsdale.]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I quite agree with the hon. member's remarks concerning the morale of Canada's national team. This gives me the opportunity to indicate that whatever action the government is taking it should certainly not be given the interpretation that we are not in any way in wholehearted support of Canada's national team. We would be very silly indeed if we did not recognize the tremendous effort that these boys are making, in many cases at enormous sacrifice, to bring some renown to Canada; they have our wholehearted support, and certainly mine.

If our support does not follow the pattern that the hon. member thinks appropriate, then that is his judgment. As far as I am concerned the action the government is now taking will in the long run be in the interests of our national team, both this year and next year.

There really has not been any delay for which we have to apologize. The fact of the matter is that the C.A.H.A. wrote to me requesting money some weeks ago. Their letter arrived a few days prior to a meeting that the C.A.H.A. was having in Winnipeg. At that time I had just received the second report of one of the committees of the National Advisory Council on Fitness and Amateur Sport which was studying the whole question of hockey. This was a report from the chairman and members of that committee, which in certain aspects was very critical of the C.A.H.A. and its relationship with the professionals.

One of the members of the official opposition who had studied this report asked me whether I did not have some sympathy with its contents. As a matter of fact, there were some matters worthy of note in this report. Therefore I thought it was only reasonable to advise the C.A.H.A. that, having received this second report only a few days prior to receiving their letter, I should have adequate opportunity to study it.

The following week end, which was past the deadline that they had set in their letter for a decision, my own fitness and amateur sport council was meeting to discuss the matter. I felt that since this body had been set up by statute to advise the minister in these matters, it seemed eminently logical to me that I should at least first meet the council and discuss this request before giving my answer to the C.A.H.A.

Having met with the council approximately two weeks ago it was decided that we would be prepared to meet with the C.A.H.A. in a matter of days.

The Acting Speaker (Mr. Perrault): Order.

Mr. Munro: Mr. Speaker, may I just have one more minute of time?

The Acting Speaker (Mr. Perrault): Does the house give unanimous consent?

Some hon. Members: Agreed.

Mr. Munro: Since a meeting with the C.A.H.A. was not convenient at that time, the meeting was put off until this week, and then a decision will be made.

There are certain arrangements to be entered into. The C.A.H.A. are asking for a money commitment for this year and next year. In turn I should like them to indicate what they are prepared to do in terms of assistance for Canada's national team, both next year and in following years. So there is some negotiation involved here and the matter will not be settled until the latter part of this week.

Motion agreed to and the house adjourned at 10.31 p.m.

HOUSE OF COMMONS

Friday, December 6, 1968

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

Third, fourth and fifth reports of special committee on procedure of the house—Mr. Blair.

First report of standing committee on veterans affairs—Mr. Francis.

[*Translation*]

Second report of standing committee on regional development—Mr. Herb Breau (Gloucester).

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

[*English*]

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO CONSTRUCTION OF BUILDING

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, on behalf of the Secretary of State (Mr. Pelletier) I should like to make reference to a question asked yesterday by the hon. member for Sainte-Marie (Mr. Valade). In response to the question the Secretary of State indicated that the C.B.C. had signed contracts for the construction of the C.B.C. centre in Montreal. In fact the contracts have not been signed, but the C.B.C. has sought authority from the Treasury Board to sign these contracts. It had been hoped that these would be considered this week, but unfortunately we have not got around to this item. These will be considered at the next meeting of the Treasury Board.

AIR CANADA

MEETING WITH DELEGATION RESPECTING WINNIPEG MAINTENANCE BASE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Prime Minister. Following the enlightening deliberations with a delegation from the province of Manitoba I wonder whether the Prime Minister is in a position, in the interests of national security and based on the program of regional development, to assure the house, the country and the people of Manitoba that the Winnipeg air maintenance base will be maintained.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, yesterday we had a meeting with this delegation led by Premier Weir. As a result of that meeting and the information that was exchanged, a cabinet committee will be meeting later today to decide government policy.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. In view of the answer the Prime Minister just gave concerning a meeting of a cabinet committee later today, will there be an announcement not later than Monday as to whether the further period of study that was suggested yesterday will be granted by the government?

Mr. Trudeau: Mr. Speaker, I cannot state in advance what the cabinet committee will decide, but I would think that that is a reasonable request. If we think we are not in a position to make a final announcement in the next few days and that further study is needed, we will have to announce this after the cabinet committee meeting today or on Monday.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may we be assured that something will be indicated to us not later than Monday even though the Minister of Transport may not be here on Monday?

Mr. Trudeau: Yes, Mr. Speaker.

TRADE

WHEAT—REPORTED JAPANESE REFUSAL TO ACCEPT CANADIAN GRAIN

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Woolliams: I have a bit of laryngitis.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Woolliams: I knew my sins would catch up with me. I should like to direct a question to the Minister of Trade and Commerce in reference to the Japanese wheat market.

Mr. Knowles (Winnipeg North Centre): You should direct it to the Minister of National Health and Welfare.

Mr. Woolliams: I understand that Japan has refused to honour commitments to accept Canadian wheat because of its damp quality this year. Has the minister anything to report in that regard?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the situation is not exactly as the hon. member has defined it. I checked this morning with the Canadian Wheat Board and the Board of Grain Commissioners, and I have been advised that no complaint has been received from the Japanese food agency in respect of the quality of Canadian wheat arriving in Japan. However, due to difficulties the Japanese have experienced with the quality of new crop wheat from the United States, they have requested a meeting with Canadian officials to discuss the quality of the lower grades of wheat from the 1968 crop.

Mr. Woolliams: Mr. Speaker, I take it from what the minister has said that we have now lost this market for grain under Japanese commitments?

Mr. Pepin: That is a wrong conclusion.

Mr. Woolliams: Mr. Speaker, how many bushels of wheat is the minister able to assure us and the country we will be able to export at this time under Japanese commitments?

Mr. Pepin: There has been no official complaint on the part of Japan in respect of Canadian wheat exports. Because of difficulties Japan has experienced with United States wheat exports they want to check with us as to the quality of our present wheat crop. This is a normal inquiry.

Mr. Woolliams: Are they looking for a superior or an inferior quality?

Mr. Pepin: I understand that Japan usually buys a superior quality, especially No. 2 northern, and I understand no difficulties have arisen up until now. If difficulties do arise I will duly report them to the house and to the hon. member.

[Mr. Woolliams.]

[*Later:*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the reports of the reaction in Japan following receipt there of unsuitable grain, may I ask what steps are being taken to correct this situation. Why did our inspection services not intercept grain that was in poor condition before that grain was shipped?

Mr. Pepin: Mr. Speaker, it seems very difficult to be heard this morning. I said specifically that this was United States grain and not Canadian grain. The meeting to be held early next week between the Board of Grain Commissioners and the wheat board and Japanese authorities will be in anticipation of possible problems. It is a precautionary measure. It is not a meeting to correct a damage which has taken place in recent weeks.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question to the minister, Mr. Speaker. My question has reference to wheat, just as another matter I raised yesterday had reference to the C.B.C. Would the minister make sure that the facts broadcast by our national news service are accurate, so that misunderstandings such as we have here do not develop again.

Mr. Speaker: The hon. member has made his representation, and I assume it has been noted.

HARBOURS

ROBERTS BANK—AGREEMENT RESPECTING ACCESS AND EGRESS

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to ask the Minister of Transport whether an agreement has been reached between the government of Canada and the government of British Columbia to provide federal access and egress for the construction of buildings on provincial foreshore property adjacent to Roberts Bank. If so, can the minister tell the house what is the nature of this agreement?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, is the hon. member referring to access across the foreshore to the port facility itself? If that is the nature of his question I should like to say that we have an arrangement with the provincial government providing for access during the construction period. This will be followed by negotiations for a

permanent arrangement. I have indicated to the provincial government that hopefully we would be in a position to talk to them sometime within a few months after the House of Commons has had a chance to study the report on port facilities which is available at this time for consideration.

Mr. Rose: Do I understand, Mr. Minister, that the lease agreement for land upon which very expensive installations might be constructed is based on a temporary or one year agreement? What are the possibilities for the renewal of this agreement, and under what terms?

Mr. Speaker: Order, please. I must remind hon. members that questions should be directed to the Chair. Having said that, perhaps the minister might want to reply.

Mr. Hellyer: It is a temporary arrangement, but that was all that was required to get on with construction of the port. There are a number of options open to the government as to the final solution. Any conclusion in this regard would prejudge policy in respect of port administration and control which is yet to be decided. Consequently all the questions of this nature will have to be left until parliament and the government has had a chance to study the report to which I referred earlier.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, has the minister received the report, which he said back on October 16 would be ready by late November, defining the division of jurisdiction as between the federal and provincial governments; and if so can he table that report?

Mr. Hellyer: The answer is yes, Mr. Speaker.

Mr. Nowlan: When will it be tabled?

Mr. Hellyer: Soon, Mr. Speaker. In order to be more precise, I would say not later than next week.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. I wonder whether the Minister of Transport will take as long to reach a decision with respect to the Roberts Bank problem as the Prime Minister is taking with regard to our national defence problem.

[*Translation*]

EXTERNAL AFFAIRS

CZECHOSLOVAKIA—INQUIRY AS TO PROTEST NOTE FROM RUSSIA

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct a question to the Prime Minister.

Can he tell the house if the government has received from Russia a note of protest similar to that received by Great Britain in view of the discontinuance of cultural exchanges with Czechoslovakia? If so, what position will the Canadian government take about that note of protest and related comments?

Right Hon. P.-E. Trudeau (Prime Minister): I am not aware that such a note has been received, Mr. Speaker. However, the Secretary of State for External Affairs could no doubt answer that question if it were put to him when he is in the house.

[*English*]

PUBLIC SERVICE

NATIONAL ENERGY BOARD—REQUEST FOR INCREASED STAFF

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the opinion expressed yesterday by the chairman of the National Energy Board that high priority should be given to providing the board with sufficient staff to undertake intensive studies regarding the possibilities of future Canadian oil development in the north, will the Treasury Board give high priority to providing the National Energy Board with this additional staff as a means of helping to protect our oil development interests in the north?

Mr. Speaker: Order, please. The question asked by the hon. member is of very general scope and is not of the required degree of urgency. Perhaps the hon. member would like to put the question on the order paper.

Mr. Hees: With deference, Mr. Speaker, I ask the question in view of the very important and recent discoveries by United States interests in the north and the great alarm expressed by the chairman of the National Energy Board as recently as yesterday. In view of this I think the question is important.

Mr. Speaker: Perhaps the minister might be allowed to answer the question.

Inquiries of the Ministry

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, like the hon. member I have taken note of the remarks of the chairman of the National Energy Board, and will consider them.

CANADIAN CONSTITUTION

REQUEST FOR NATIVE INDIAN REPRESENTATION AT CONFERENCES

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the government grant the request of the National Indian Brotherhood to allow the Indian people a formal role in conferences concerned with amendments to the Canadian constitution?

Right Hon. P.-E. Trudeau (Prime Minister): I do not know of the request, Mr. Speaker, but if the hon. member is referring to the constitutional conference to be held two weeks from now, there is no question of anyone but representatives of the federal and provincial governments sitting there as delegates.

Mr. Simpson: A supplementary question to the Prime Minister, Mr. Speaker. The Prime Minister says he knows nothing of this request. I understand the request may be forthcoming to him today. I am asking whether he will give it his fullest consideration.

Mr. Speaker: Order, please. I wonder whether it is in order to ask a minister whether he will give consideration to submissions which will be made to him at a future date or a future hour. I have some doubts about that.

Mr. Simpson: I have a supplementary question to the Minister of Indian Affairs and Northern Development, but in his absence I should like to direct it to his parliamentary secretary. Will the government recognize the National Indian Brotherhood as the official Indian advisory body to the department of Indian affairs; and if so, can he assure the house that the National Indian Brotherhood will not be bypassed as previous so-called advisory groups have been bypassed?

Mr. Speaker: Order, please. The question asked by the hon. member contains allegations, and as such cannot be accepted.

[Mr. Speaker.]

INDIAN AFFAIRS

COMPETITION FOR POSITION AS ADVISER ON POLICIES AND PROGRAMS

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development, but since I do not see him here perhaps the question could be taken as notice. Has the Indian affairs branch recently advertised a competition for a position at the P.M. 6 level with a salary of $18,000 a year, to consult with the Indian and Eskimo people on policies and programs affecting them? This competition, as I understand it, is not open to qualified native applicants.

Mr. Speaker: Order, please. I suggest to the hon. member the question should be placed on the order paper. If there is urgency for a discussion of the matter it could be raised at the time of adjournment at ten o'clock.

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

POST OFFICE DEPARTMENT

EFFECT OF INCREASED RATES ON UNION PUBLICATIONS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): My question is for the Postmaster General. Have new representations been made to him about the adverse effects of the increase in postal rates on union publications such as newspapers and magazines? If so, would the minister give consideration to moderating the proposed new rates?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I have not met with any groups in the last two weeks because no groups have asked to meet with me. I expect the regulations, in conformity with the act adopted by the house, will be put into effect on December 24.

CANADIAN NATIONAL RAILWAYS

PROPOSED LAY-OFF OF SECURITY STAFF, ATLANTIC REGION

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): I should like to direct a question to the Minister of Transport. Is the hon. gentleman in a position today to bring the house up to date regarding his discussions with Canadian National Railways concerning the cut-backs

in the Canadian National police force in the Atlantic region, which has been brought to his attention by the hon. member for Moncton and myself on several occasions?

Hon. Paul Hellyer (Minister of Transport): Not yet, Mr. Speaker. I have had further conversations with the company since the last time my hon. friend raised the question. I am awaiting a report back from the company subsequent to that discussion.

TRANSPORT AND COMMUNICATIONS

ABSENCE OF COMMITTEE CHAIRMAN— CONSIDERATION OF REPORT

On the orders of the day:

Mr. James A. McGrath (St. John's East): My question is directed to the President of the Privy Council in his capacity as house leader. Is the hon. gentleman aware of the fact that the standing committee on transport and communications met this morning but is now deadlocked without a chairman, and hence unable to deal with matters of urgent public importance before it? While the minister is on his feet, would he assure the house that the house will be in a position soon to deal with the first report of the committee, which is now before the house but in which as yet there has been no concurrence?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker, I am aware of both these matters. I am sure the hon. member regrets as much as I do the fact that the chairman of the committee, the hon. member for Manicouagan, had to enter the Royal Victoria hospital last night for surgery. I think perhaps I would be expressing the sentiments of the house if I were to say that we hope the surgery will be successful and we will soon have him with us again.

I have had discussion with hon. gentlemen opposite about a future or further order of reference to the standing committee on transport and communications. My understanding is that the committee expressed an interest in studying the question of transportation in the Atlantic provinces. This was indicated in the first report. The committee also indicated an interest in studying a particular dispute related to the Canadian National.

As I pointed out to the hon. member for Oxford, it has been the government's intention to refer the annual reports of both Canadian National and Air Canada to the committee. It was the government's suggestion also that not only should the committee study Atlantic province problems but that in view of the notoriously good climate there any time of the year, and particularly in the month of January, the committee should be empowered to visit the region for the purpose of studying transportation problems. My suggestion was that this rather broader order of reference might be substituted for the committee's report in this regard, and that the house might agree to putting these two orders, thereby empowering the committee to meet possibly early in January for this purpose.

Mr. McGrath: A supplementary question. Would the house leader advise the house what is the position of the resolution that was passed by the committee dealing with the decision of the Canadian Transport Commission allowing the Canadian National to abandon rail passenger service in Newfoundland, which was not incorporated in the first report of the committee to which I referred in my original question?

Mr. Macdonald (Rosedale): I have not studied this; I am advised the resolution was passed but that it was out of order.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): Under the circumstances I take it that it is null and has no effect, but I have not examined the question.

Mr. Eldon M. Woolliams (Calgary North): I rise on a point of order, Mr. Speaker. There is no evidence anywhere in the committee's report that the resolution in question is out of order. It was passed by a majority of the committee members present. The only problem was that the Liberals did not have enough members there to defeat the resolution. That is the only bad part of it. The house leader and his whip have a responsibility, which I hope they take, to get their members out to the committee. I say it is a good resolution, and it should be included in the report.

Mr. Macdonald (Rosedale): The first thing to be said is that I am glad that through my intervention in this debate we have restored the hon. member's voice to him. I can only say that we will make every effort to assist if hon. members wish to continue the committee's studies along the line I have indicated, both of the Atlantic transportation problem and of Air Canada and the Canadian National Railways. If so perhaps there might be agreement to adopting this as the order of reference for the committee for the rest of the

session, and on that basis we might withdraw the second report.

Mr. McGrath: On a point of order, Mr. Speaker, may I say that the house leader, in reply to my question, set himself up as an expert by ruling on a resolution which was passed by the committee, which the chairman of the committee accepted, and which is now properly in the report of the committee which is before the house. I suggest that the hon. gentleman has no right to take it upon himself to rule on a resolution passed by a majority in the committee.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): Mr. Speaker, may I say, on the same point of order, that I accept the admonition of the hon. member, but I was only giving a ruling on the resolution because his friend from Calgary North asked me to do so. However, I agree that he was wrong to ask me and that I was wrong to do it.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a further supplementary question. In the house leader's discussion of the past and future activities of the committee would he indicate what is to be done with the estimates of the Post Office Department?

Mr. Macdonald (Rosedale): I understand arrangements have been made to try to get the estimates examined in committee in the near future, but I must say I have not been able to follow in detail the present status of all estimates in the committees. I will have to take a further look at that.

[*Translation*]

PUBLIC SERVICE

DISMISSAL OF COMMISSIONAIRES FOR LANGUAGE REASONS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the consequences of the rule to the effect that members of the Canadian Corps of Commissionaires who are not bilingual are to be replaced in the three Ottawa museums on December 31, would the Prime Minister be ready to make an exception for veterans who will reach retirement age shortly?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as everyone knows, national museums come under the jurisdiction of the Secretary of State, who would be happy to answer this question if it were directed to him.

[*English*]

Mr. Paul Yewchuk (Athabasca): I have a supplementary question for the Prime Minister. Is the replacement of the 10 to 15 civil service commissionaires by bilingual persons a sample of future policy which will affect the federal civil service?

Mr. Trudeau: Mr. Speaker, I merely wish to say that I can hardly be asked to state whether or not this is the policy because, as I said in my answer to the previous question, this matter comes under the jurisdiction of the Secretary of State. I am not familiar with the details of it; it is the Secretary of State who will have to report on it.

Mr. McGrath: Why not say "ditto"?

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a supplementary question, Mr. Speaker. In the name of justice and of former commitments to these veterans, will the Prime Minister give consideration to rescinding or withdrawing that directive which emanated from the office of the Secretary of State?

Mr. Speaker: Order, please. It seems to me the hon. member is restating the question asked previously by the hon. member for Vancouver-Kingsway.

Mr. Yewchuk: I have a further supplementary question, Mr. Speaker. Will alternative employment be provided to these replaced commissionaires?

Mr. Trudeau: I would like to make it clear, as I did in my first answer, that this matter comes under the Secretary of State who is not in the house now. I am not familiar with the details of the matter, so there is no point in my trying to answer the question.

Mr. McIntosh: I'll bet you don't know the details of it.

Mr. Trudeau: How much do you bet?

Hon. W. G. Dinsdale (Brandon-Souris): A further supplementary question, Mr. Speaker, on this important matter. When discussing this question with the Secretary of State, would the Prime Minister confirm—and he might consult the Minister of Veterans Affairs on this matter as well—whether the veterans preference still applies?

Mr. Trudeau: Mr. Speaker, I will ask the Secretary of State to have those consultations.

[*Translation*]

ADMINISTRATION OF JUSTICE

REPORTED INCREASE OF FRAUDULENT BANKRUPTCIES

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, in the absence of the minister concerned, I shall direct my question to the right hon. Prime Minister.

Can he tell the house what progress has been made in the negotiations with the provinces with regard to fraudulent bankruptcies in Canada, in view of the fact that fraudulent bankruptcies have increased in October by 47 per cent over the previous month?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Consumer and Corporate Affairs is not now in the house because he is attending to his affairs, but I shall try to get a reply for the member as soon as possible.

[*English*]

IMMIGRATION

TORONTO—DEPORTATION ORDER AGAINST POLISH SEAMAN

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I have an urgent question for the Minister of Manpower and Immigration or for his parliamentary secretary. What action has the minister taken concerning an urgent telegram from a Toronto lawyer protesting the decision of immigration officials to execute a deportation order against a Polish seaman before this lawyer had received a written order from the immigration appeal board, thereby denying the lawyer an opportunity to appeal the order of the board to the Supreme Court of Canada?

Mr. Gerard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I understand that up to eleven o'clock this morning the minister's office had not received a telegram concerning this case. As the hon. member knows, the minister of immigration has no power or authority over any decisions made by the appeal board. Therefore I suggest to my hon. friend that he recommend the case be taken to the Supreme Court of Canada.

Mr. Haidasz: Mr. Speaker, I have a supplementary question for the Prime Minister. Can the Prime Minister assure the house that the cabinet will consider at the earliest possible moment the approval of the international convention on refugees and seamen?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will take the matter under consideration.

TRANSPORT

WELLAND CANAL—INQUIRY AS TO EXPANSION

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to ask a question of the Minister of Transport. Is it true that plans for the $1 billion expansion of the Welland canal section of the St. Lawrence seaway have been shelved indefinitely?

Hon. Paul Hellyer (Minister of Transport): No, Mr. Speaker, this is not correct. This question is being considered by an interdepartmental committee at the present time. I am not in a position to say when they will finish their studies. I might tell my hon. friend, however, that since the time the report on the seaway was sent to the government there have been changes in the estimates made of traffic. There have also been changes in the technological devices for increasing throughput in the existing canal system which have an influence on the time when additional capacity might be necessary.

I think it is fair to say that no immediate start is required, but at the same time this is not to say that a start will not be required when the traffic forecast is sufficient to justify additional capacity. This is a question that can only be answered when we have had the chance to look at all relevant material in greater detail.

Mr. Monteith: Mr. Speaker, may I ask a supplementary question. It is true, is it not, that it is quite possible these plans will be shelved?

Mr. Hellyer: No, Mr. Speaker, I certainly would not agree with that.

SHIPBUILDING

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I have a question for the Minister of Defence Production. In view of the continuing heavy unemployment in Canadian shipyards I wonder whether the minister is yet able to tell the house when he will be able to make a statement on motions as to government policy in this regard. I ask him this question because of answers given to me by the minister a few weeks ago to the

effect that he and other ministers were meeting with representatives of the shipbuilding industry.

Hon. Donald C. Jamieson (Minister of Defence Production): Mr. Speaker, these meetings have been continuing, as well as meetings with other ministers. In view of the decision that has been made in regard to responsibility, I think this question should more properly be directed to the Minister of Industry.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. In view of the indication given yesterday that any decision in regard to assistance to the fisheries was being deferred until the end of the fiscal year, has any decision been taken to defer action with regard to subsidies on wooden vessels also until the end of the fiscal year? I would direct that question to the appropriate minister, whoever he may happen to be.

Mr. MacEwan: Mr. Speaker, supplementary to my question to the Minister of Defence Production could I ask the minister of industry when he believes he will be able to make a statement to the house in connection with this most important matter of shipbuilding in Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I love to make statements, but I really do not see the need for one on this subject today. We have a shipbuilding program. The subsidies are being progressively reduced, and representations about this have been made. An interdepartmental committee is now studying these representations, and in due course I will say whether a change is to be made.

Mr. Stanfield: Mr. Speaker, I wonder whether the various members of the government have decided who is responsible for subsidies on wooden ships so that my question can be answered.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, wooden vessels come under the fisheries department; steel vessels come under the Department of Industry, Trade and Commerce.

Some hon. Members: Oh, oh.

Mr. Bell: Welcome back.

Mr. Davis: The estimates for next year will be published early in the new year.

[Mr. MacEwan.]

Mr. Anderson: A supplementary question for the Minister of Industry, Trade and Commerce, Mr. Speaker. In view of the minister's remark that there is no need for a statement on shipbuilding policy would he please urgently consider answering question No. 295, which was put on the order paper on September 27. Since apparently there is to be no policy change the question should be easy to answer.

Some hon. Members: Hear, hear.

SHIPPING

EXPERIMENTS WITH NEW ICEBREAKING EQUIPMENT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, on November 20 I directed a question to the Minister of Transport which the minister took as notice and said he would deal with later. It concerned the planned experimental icebreaking expedition into Churchill with the Alexbow. I wonder whether the minister is able to answer now.

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. As I recall it, the allegation to which my hon. friend referred is not correct. The reason the Alexbow experiment did not take place this winter was that the company responsible for its development, having considered the situation and been unable to get the cargo they felt was necessary to assist in defraying the cost of the experiment, decided not to proceed with it this year.

Mr. Simpson: A supplementary question. On a point of order, Mr. Speaker, I might tell the minister that I did not make allegations; I merely asked him a question. In view of the fact that the federal government, as I understand it, through their connection with Panarctic Oils, controls a lot of the interest in this new icebreaking equipment, I thought I should bring this to the minister's attention.

CONSUMER AFFAIRS

APPLICATION FOR RATE INCREASES BY BELL TELEPHONE

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Transport. Is the minister aware of the application by the Bell Telephone Company of Canada to the Canadian Transport Commission requesting a sharp increase in telephone rates in Toronto, Montreal, Hamilton,

Ottawa and other cities? If so, is it the intention of the government to oppose this application asking for an unjustified sharp increase in rates?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am aware of the application, but this is one area of responsibility that has been transferred to the Postmaster General. Perhaps I might redirect the question to him.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the application is before the Canadian Transport Commission. Since this is a court of record hon. members would not think it appropriate for me to make any remarks about this application.

GRAIN

REPORTED SLOW MOVEMENT TO TERMINAL DRYING FACILITIES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce. Earlier we were told that drying facilities at the lakehead are not operating on a seven-day 24-hour a day basis because of lack of sufficient facilities to deal with damp grain. In the D.B.S. report dated December 4 it is indicated that for the seven days ending November 21 there were fewer carloadings—

Mr. Speaker: Order, please. As the hon. member knows, he must ask a question and seek information rather than present information to the house.

Mr. Korchinski: Mr. Speaker, I am trying to lay the groundwork for my question. According to the report there were fewer carloadings with respect to grain than in the similar period last year. I wish to know why there were fewer carloadings during that critical period?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the explanation has already been given either by myself or by the Minister without Portfolio. We indicated before that it took some time to organize and regularize the flow of wheat to terminals. This has been done now and will continue to be done in the coming days. Terminals will be operating six days a week and 24 hours a day. Yesterday the question in the house was "What about seven days a week?" The answer given was that this is presently being discussed with the trade unions.

PRIVILEGE

MR. BROADBENT—STATEMENT BY MINISTER ON INCENTIVES TO INDUSTRY

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, on Wednesday last I rose on a question of privilege with regard to comments made by the Minister of Industry, Trade and Commerce. Since he is in the house, and back from the west coast, I wonder whether he would care to answer the matter I raised.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this was a rather technical matter. I stand on what I said and, if I may say so, I do not think it was a matter of privilege. But if the hon. member would care to debate it with me I will be glad to see him at any time today, tomorrow, Sunday or Monday.

FINANCE

STEPS TO BRING ABOUT INTERNATIONAL MONETARY REFORM

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, may I direct a question to the Minister of Finance. Since there are indications that the steps taken by the finance ministers at Bonn recently involve a temporary, patchwork solution to our monetary problems, what steps is the government taking to bring about a longer term measure of reform in our international monetary affairs? What policy proposals is the federal government prepared to advance toward that end?

Mr. Speaker: May I suggest to the hon. member that he is seeking information which normally ought to be given by way of a statement on motions.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REQUEST FOR STATEMENT OF INTENTION

On the orders of the day:

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is for the Prime Minister. Has he received a telegram from the Maritime Provinces Board of Trade asking for a positive decision on construction of the causeway? If so, how soon may we expect an announcement of that positive decision?

Inquiries of the Ministry

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would venture to say within the next couple of weeks.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker, with regard to the problems concerning the construction of the Northumberland strait crossing. The Prime Minister indicated two weeks ago that there was some difficulty in arriving at a decision that he had promised the premier of Prince Edward Island he would make almost one month ago. Could he indicate to the house the nature of the difficulties; because we may be able to give him assistance.

Mr. Trudeau: Money.

BROADCASTING

INQUIRY AS TO REQUEST FOR TAPES OF NEWS BROADCASTS

On the orders of the day:

Right Hon. P.-E. Trudeau (Prime Minister): With your permission, Mr. Speaker, while I am on my feet may I deal with a question that was raised by the hon. member for Halifax-East Hants (Mr. McCleave) yesterday, who wanted to know whether any member of the task force on government information services had requested the Canadian Radio-Television Commission to ask Canadian radio stations to provide tapes of their news broadcasts to the commission. I replied that I would inquire. The answer is no, Mr. Speaker.

AGRICULTURE

REQUEST FOR ASSISTANCE FOR NOVA SCOTIA APPLE GROWERS

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Agriculture. Since almost three months have elapsed since the delegation from Nova Scotia presented to the minister a brief on the problems of our apple industry, when will the government make a statement on what assistance it is prepared to give this hard pressed industry?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the hon. gentleman knows that for the last three years, and slightly more than that, the federal government has resisted entering into any ad hoc assistance arrangements with the provinces. I have explained the reasons for that. When the brief was first presented to the department the apple market was not as good as it is now. The market in Canada for fresh and processed apples has firmed considerably. That does not resolve the problem arising from the drought in the area, and the matter is still under active consideration. Yet I should not like to hold out any great hope that we will substitute an ad hoc assistance program for the crop insurance program we have offered to all provinces.

Mr. Nowlan: A supplementary question, Mr. Speaker. From the minister's answer I suppose one could take it that there will be no announcement of government aid at the anual meeting of the apple growers?

Mr. Speaker: Order, please. I think that question is argumentative.

Mr. Nowlan: May I rephrase the question, Mr. Speaker. Am I to gather from the minister's statement that there is to be no announcement with regard to government aid during the annual meeting of the apple growers?

Mr. Olson: That is a wrong assumption. We undertook to give very serious consideration to the representations that were made and to take into account the market and the harvest with respect to this crop. That has been done and is continuing to be done.

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Mr. Hyliard Chappell (Peel South): Mr. Speaker, I have a question for the Minister of Transport. In view of the announced rejection of the proposal to expand the Toronto-Malton airport by all municipalities affected by the flightways, will the minister agree not to proceed as proposed and cause studies of other sites to be made?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I hope to be able to review all available data within a few days. Once I have had a chance to do that I will be in a position to make a recommendation to the government.

NATIONAL DEFENCE

DATE OF PAYMENT OF RETROACTIVE PAY INCREASES

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a question to the President of the Treasury Board. Can he now give a firmer assurance than he could

give before that his department will be able to grant retroactive pay increases to national defence employees before the end of the year?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, we are in the process of doing so. I have been in consultation with the Minister of National Defence, who is primarily charged with the responsibility of making the computations in order to get the cheques out.

EXTERNAL AID

BIAFRA—SUGGESTED SPECIAL ACCOUNT FOR PRIVATE CONTRIBUTIONS

On the orders of the day:

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Postmaster General. In view of the initiative taken by the government of the Netherlands in allowing persons to open special post office accounts, which enables that country to use its post office facilities to bring relief to Biafra, will our government consider allowing something similar to happen in this country so as to encourage contributions to be made to this worth-while cause?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I can only applaud the initiative of the Netherlands post office, but it is not possible for us to emulate this activity. As you know, we do not operate the gyro banking system which they have in many European countries, which enables depositors to pay their bills directly and make deposits for such worthy causes as the hon. member has mentioned. It may be something for one of the task forces to review, but at the present time we cannot act.

• (11:50 a.m.)

SUPPLY

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

The Chairman: Order. House again in committee of supply, revised estimates of the Department of Fisheries and Forestry for the fiscal year ending March 31, 1969. Vote No. 1 will be found at page 158 of the bluebook. Details thereof are listed at page 160.

DEPARTMENT OF FISHERIES AND FORESTRY

1. Departmental administration, including grants and contributions as detailed in the Estimates. $3,509,175.

Hon. Jack Davis (Minister of Fisheries): Mr. Chairman, in my opening statement I want to make one thing quite clear, and that is that Canada's fishing industry—and I am talking first about the industry in the over-all sense of the word—is not on the verge of collapse. It has had a record year in 1968 and it is going on to better things in 1969. It is true that certain important sectors of the industry, more particularly the groundfish industry on the east coast, are encountering difficulties, but by and large the situation is favourable to the industry. Quantities are up, prices in respect of most fish products are higher than they were in recent years, and productivity is continuing to improve. Nineteen sixty eight, when all the results are in, will show that it has been the best year in Canada's fishing history; I repeat, the best year in Canada's fishing history.

This assessment is based on hard statistics for the first nine months of 1968, that is, from January to the end of September inclusive. They show that our total catch is up 10 per cent in quantity terms over the corresponding period in 1967. They also show that the earnings of fishermen are up. Their earnings are up by roughly 12 per cent over a year ago. This upward movement in quantity, in gross dollar value and in fishermen's incomes is consistent with the long run trend in the record of the industry.

No doubt, Mr. Chairman, we need more perspective in these matters. In the ten year period from 1956 to 1966 Canada's total output from the fisheries grew by 18 per cent. Returns to fishermen meanwhile rose by 67 per cent in value terms, this despite a decline in the employment. Productivity by fishermen in quantitative terms, in the sense of numbers of fish caught, has improved by more than 2 per cent a year. This is a rate of improvement in productivity which has been comparable with and in some sectors of the industry better than, that of the rest of the economy, so that in terms of efficiency, and again I am generalizing, the industry has been doing quite well.

These figures apply to the nation as a whole, but one might expect large variations from one part of the industry to the other and from one part of the country to the other. During the last 12 months solid gains, again speaking over all, have been made in the Atlantic region. Out on the Pacific coast, and this is largely due to a decline in the halibut catch, our performance has been off somewhat. However, production of salmon has been up in quantity and dollar terms.

Marketing has presented a problem. It has certainly presented a problem in price terms

to the groundfish industry. But there have been products, particularly products like lobster, crab, scallops and so on, in which price increases have been favourable to the industry and which have helped to improve the gross earnings, particularly of the fishermen concerned.

Before I turn to try to deal in detail with the groundfish problem situation on the Atlantic coast I would like to recount a few of the success stories. I would like to do this partly because the problem in the groundfish industry is one of confidence. It is a problem related to diversification. It is certainly a problem of finance in the sense that the banks and other financial institutions have been holding back. They have been less inclined to put money into the fishing industry in recent months than heretofore, and therefore I think it is important to give some balance to the over-all picture in respect of the fisheries.

Four developments have highlighted our Canadian fishing industry in the last two years. One on the Atlantic coast relates to the queen crab. This is an industry which in big dollar terms was non-existent four years ago. It involved a product which was regarded by the fishermen largely as a nuisance. Now it is being sold in increasing quantities. For example, the landings rose from two million pounds in 1967 to ten million pounds during the current year. This is up from less than one million pounds in 1966 and a negligible catch in 1965. It is a real success story. There are 20 new plants processing Atlantic crab, most of it caught in the gulf of St. Lawrence and off the east coast of Newfoundalnd. These plants now employ 700 on-shore workers whose annual earnings run to several millions of dollars. So here is one favourable development that relates to the Atlantic area which can be regarded as a partial offset in an over-all picture where the ground fishery is admittedly in some difficulty.

The herring fishery certainly is a success story in the Atlantic area. Herring stocks on the west coast declined rather sharply in recent years and it has been ordered that there be no more fishing for herring perhaps until 1970. Herring stocks around the world have varied considerably. They have been depleted rapidly, but not always by fishing activity. Often the reasons for the decline are biological and the stocks come back again. No doubt we are in one of those as yet uncharted cycles on the west coast. Certainly there is ample evidence that the herring is coming back.

[Mr. Davis.]

The herring fishing on the east coast meanwhile is picking up rapidly. There has been some movement of vessels from the east coast to the west coast. Certainly the catches have been heavy. There have been a number of new plants built and there have been some remarkable catches per trawler, pointing in the direction of fish gains in productivity in that particular sector of the industry.

I would now like to refer to another development on the west coast. We have had ample evidence of success in respect of restoring, improving and expanding the salmon fish stocks. The immense investment which the federal taxpayer has made in artificial spawning channels is beginning to pay off. The $10 million Babine project is now nearing completion. Its results in respect of salmon runs in northern British Columbia should show up in the next year or two.

• (12 noon)

I have been very interested in reviewing the reports and recommendations which led to this particular program. These assessments —and I think they were hard-headed ones— on the prospective benefits in relation to the costs of that project indicated the benefits would be at least three times as great as the costs involved. This is a good benefit-cost ratio. The results may well exceed that ratio. They certainly will if we put a proper value on the salmon caught by sports fishermen where the value per fish is a great deal higher than the value attributed to fish using the commercial yardsticks.

On the east coast, and also on the west coast, we are looking forward to what I think is an imaginative and obviously encouraging development with regard to fish protein concentrate. Probably no contribution to the fishing economy will have greater effect than that of the Fisheries Research Board in this field in Halifax which has led to this very important breakthrough. It was as a result of the efforts of the research scientists in Halifax that this method of converting fish into a high quality, readily storable and easily transportable product was developed. This has been followed through by substantial pilot plant investigations in the United States. Recently a United States firm announced the construction of a multi-million dollar plant at the strait of Canso. It is to open within the next 18 months. When this plant is in operation fish protein concentrate will begin to move in commercial quantities to the markets of the world.

Fish protein concentrate has been discussed at length in the scientific journals for a long time, but it is only in the last year or two that the economies of producing fish protein concentrate on a commercial basis have begun to firm up. I should like to indicate what these economic prospects are by repeating a calculation which I think is significant. Ten grams of this concentrate—that is a very small quantity, two-thirds of a cent's worth—will supply one person's daily requirement for protein. An individual's requirement for a day can be supplemented with fish protein for less than one cent. By comparison it would take 14 cents worth of pork chops, 11 cents worth of steak, 6½ cents worth of whole milk, 6 cents worth of eggs or 3½ cents worth of dry skim milk to supply the same amount of protein to the average human being.

It looks as if fish protein concentrate will be a relatively cheap source of protein. As I said before, it is a high concentrate product which is storable for long periods of time at any temperature and may be transported very cheaply. This substance looks like a white powder. It can be mixed with foods in very small quantities. It can be mixed into a variety of foods. It is normally tasteless. The food which people consume can obviously be enhanced considerably in respect of its protein content as a result of a very small addition of this valuable product. So the construction of a big plant in Canada at Canso, Nova Scotia, will mean that shortly production will begin on 20 million pounds of this concentrate per year. This is certainly something which Canadians should welcome.

This will not be the only large scale plant in the world. I gather that two others are already under construction in the United States and there is considerable interest in other parts of the world. In other words, it looks as if we will not be alone in trying to market this new product in its early years. Others have also seen the economies involved here and are trying to convince the breakfast food people, the soft drink people and other large purveyors of food and foodstuffs on this continent that fish protein concentrate is a very useful and a very economical product. I welcome the support of those great industries in getting F.P.C. launched.

Perhaps I could draw an analogy here. Over 100 years ago it was found that it was possible to produce paper from wood by grinding it up, by pulping it and using the wood fibres to make paper and other pulp and paper products. At one time a tree was used only to make large planks. The rest of the tree was rejected, thrown away. Then more was used not only for planks but for sawn lumber and pulp. A much greater proportion of the tree became useable because the tops, branches, edgings, and so on could be used for pulp. As a result we have the most economic wood product plants in the world including, side by side, large sawmills and large pulp and paper mills. The straight sections of the tree are now used to make the prime products such as sawn lumber, for example, and most of the rest of it is used to make pulp and other useful products.

The situation in respect of the whole fish is akin to that of the tree. We can take the choice part of the fish, cut off the most desirable portions, sell them, for instance, as fillets, and the rest of the fish can be ground up and converted into fish protein concentrate. This is why our new F.P.C. plant in Nova Scotia is located right beside a large fish filleting operation. Such a plant can be located beside any type of fish plant such as a herring reduction mill. It can use a very wide variety of fish species. It does not discriminate in the same way as plants do which concentrate on the fish fillets that are so attractive to the palates of the people of North America. As a result of this process, equivalent to the pulping process, we will be able to draw on a much wider range of species and use up more of the fish in the oceans. We will be able to supplement the income of our fish filleting plants.

This will be very good in the long run. I do not suggest that it will tide the industry over its short term difficulties. We will see more of these plants as the marketing of fish protein concentrates gets under way. Here is a long range probability. It is a real probability in respect of the over-all improvement in the fishing industries of both our coasts. It can be a very helpful development indeed.

Now I should like to say a few words about the longer term developments in the industry and the longer term prospects. I shall turn specifically to the problem with regard to the groundfish industry on the Atlantic coast. It seems to me when we look at the expenditures of the federal Department of Fisheries, for example, which currently are in the order of $50 million a year, we must look not only at the commercial side of the industry, commercial in the sense of fish caught for consumption and marketing through normal commercial channels, but also at the sports fishery as well, the recreational side. I believe that more of the higher value fish will be

caught by sports fishermen. In fact the sports fishermen will be investing in boats, gear, travel, hotel accommodation and so on many times as many dollars per fish caught than is invested by the commercial fishermen today.

I was surprised to learn, for example, that the number of fish caught now off the east coast of the United States by sports fishermen is greater than the total number caught by commerical fishermen. I will repeat that. Off the east coast of the United States there are more fish caught, and I am referring to numbers of fish, by sports fishermen than by commercial fishermen. This is an immense industry which is bound to develop in this country. Coming from the west coast of Canada as I do, I cannot regard this as something for the long term future, because the sports fishery in British Columbia is as important today as the commercial fishery. It is probably worth a good deal more if one were to take into account all the secondary effects. We must know more about this particular industry. Certainly there are far more small craft owned by sports fishermen on the west coast, representing a greater dollar value, than there are craft owned by commercial fishermen. In the sense of value I would say the sports fishery is the greater of the two already and it is growing very rapidly. It is more than doubling with each passing decade. Certainly the number of small craft engaged in the sports fishery is more than doubling every decade on the west coast. I am sure this is also true, but starting from a smaller base, on the east coast. It is certainly true of the Great Lakes and in a number of our other freshwater areas as well.

• (12:10 p.m.)

The new department of fisheries and forestry must be increasingly concerned with this sports fishing aspect and, indeed, with recreation and the redevelopment of communities, some of which are solely dependent on the commercial fishery. We must be concerned with the redevelopment of these communities to service the sports fishery and tourists, all Canadians who want to travel in boats to where the fish are, and to enjoy the scenery in other parts of Canada. What I am saying about Canadians travelling up and down our coasts also applies to our good friends from the United States. This is a supplementary and complementary industry and, in the long run, perhaps even a more important arm to fisheries in Canada.

I said I wanted to make a few remarks about the main problem area which concerns

[Mr. Davis.]

members opposite today and, indeed, members in all parts of the house. This is the groundfish industry on the Atlantic coast. The groundfish industry, if I can first assess it in very round terms, has been producing $50 million in total income for fishermen. Converted into saleable products which go to the market, this is a $100 million industry. Not all sectors of this industry are in difficulty. Not all companies and certainly not all areas are in difficulty. But this is an industry which has problems, and these problems are of two kinds. There is the problem in respect of declining prices on the market and there is the problem of the rising costs of catching and processing fish. The industry is, in other words, caught in a serious cost-price squeeze which is not unlike the situation that the prairie wheat farmer is encountering.

In the last couple of years there has been a declining ceiling on the price for the product, and slowly but inevitably many of the costs of this industry are rising. The industry has been trying to adapt itself to these changing circumstances. It has been necessary, however, certainly during the past 12 months, for the federal government not only to recognize this problem but to do something about it. In the past year two programs were instituted, both of which I might refer to as ad hoc programs. They were announced in several parts and pieces. The one which relates directly to fresh and frozen fish was announced last May. At that time the former minister of fisheries said that $4 million would be available to the industry, basically to maintain the price of fish to the fishermen. As a result of some adjustments and, incidentally, an exceptional increase in production quantity, the total sum has reached $4,500,000. That program in its detail is without precedent in our history. We have, in what was declared at the time as being a one-shot program, begun a process of helping the industry in financial terms to the extent of many millions of dollars.

The industry has been faced, as I say, with declining prices for its products. The price for cod blocks delivered in Boston reached a high of 29 cents a pound a few years ago. It has been slipping year by year and is now down to 21 cents. My impression of the industry is that it could break even—would see a little daylight—if the price was up around 26 cents. Until the price is up to 26 cents a pound there will be a problem.

There is a problem in respect of maintaining the price to fishermen and there is also a problem which the companies face in finding

ways to finance their purchases of materials and to pay the interest on their bonds. In other words, they need cash. The companies lost money in 1967. Because $4,500,000 was passed on to the fishermen their position has not changed materially in 1968. In other words the industry is still in difficulty because of the lower prices.

When looking at the marketing side we can perhaps see some relief. The figures I have, supplied to me partly by our own fisheries people and partly by the Department of Trade and Commerce, indicate that the total volume of exports, and this is 70 per cent of the production of the fresh and frozen fish industry on the east coast, has increased. I want to say also that the dollar value of exports to all countries has also gone up by 8 per cent. In other words the overall income of this industry has been rising in spite of the declining price.

In the first nine months of 1968 Canada exported 290 million pounds compared with 220 million pounds in 1967. We have obviously been shipping a lot more fresh and frozen fish to the United States, and in spite of the decline in the price the gross income or value of these exports is higher than it was last year. I understand the gain in respect of our fish products has not been reflected in over-all consumption. Certainly production principally of fish sticks has gained in relation to other fish products exported to the United States market.

I am told that the per capita consumption of fish in the United States has been fairly constant in recent years, running about 10.5 pounds per annum. However, when considering the quantity of fish sticks consumed in the United States, we are up from January to October, 1968, to over 185 million pounds in comparison with 128 million pounds during the first ten months of 1967. That is an increase of nearly 60 million pounds or 45 per cent. So we are shipping more of these fresh and frozen fish products to the United States markets. We have been getting a larger share of the United States market in the form of fish sticks and portions.

• (12:20 p.m.)

Of course, this has to be viewed in relation to the performance of other countries. I understand that shipments from Norway, Denmark and Iceland have also increased considerably, and this is reflected in the fact that our share of the total market is down so much. However, there is another aspect of this problem in relation to overseas competition with which I am sure many members opposite are also familiar. The devaluation of the currencies of those countries which are also exporting to the United States in larger quantities than before has resulted in United States prices looking higher to them in terms of their currencies. In their currencies the price is at least the same as a few years ago. In the case of Iceland, where the over-all devaluation has now reached the order of 50 per cent, the price undoubtedly looks a lot better to the fishermen in that country and to the industry, companies and organizations shipping into the United States. There is a diversion, also, of these fish products from European, and particularly African, markets. The difficulties on the continent of Africa at the moment are one of the causes for there being an additional supply of fish available from European countries.

[*Translation*]

The Acting Chairman (Mr. Cyr): Order. I must remind the member that his time has expired, unless he has the unanimous consent of the committee.

Some hon. Members: Agreed.

The Acting Chairman (Mr. Cyr): Agreed.

[*English*]

Mr. Davis: Thank you, Mr. Chairman. I have skimmed over quite briefly the development on the United States market side—greater volume and a declining price to the Canadian exporter. I might perhaps have mentioned that there has been no decline in price to the ultimate consumer. So there is a larger margin available in the United States at the moment. Perhaps some part of that margin is going toward the promotion in the United States market of our products, our fish. I would certainly hope so. I would hope also that we have in prospect, and hopefully early in the new year, some improvement in price to the Canadian exporter. But this is something which we certainly cannot take for granted. If it does not happen, of course the industry has to turn even more to cost reductions and improvements in efficiency in order to get by.

There are a number of things the industry can do, but again many of these are developments which can only be counted upon in the longer term. The government has been financing a study of productivity in the industry and how individual fishing and processing operations can be improved in the Atlantic area. The industry itself has been

looking hard at the possibilities of reducing costs. I am told that in respect of our major trawler fishing operations, economies of as much as 25 per cent could be effected by reorganization of the operations of the fishing sector itself, by redesigning vessels, and so on. But this, as I mentioned before, cannot be counted upon to come about overnight.

A similar improvement in productivity resulting from a rationalization or centralization of plants, but most of it due to a reorganization within existing plants, can take place on land. But again this is a long term process. I see no reason, looking at the summary reports I have had and listening to others, why a 2 per cent to 3 per cent per annum improvement in productivity cannot be realized. Perhaps this process must be speeded up by one device or another. We can expect some relief from that quarter.

I want to return now to the immediate problem. The immediate problem is that of an industry which in the round produces products worth $100 million, an industry which received $4.5 million worth of assistance from the federal government in the form of so-called deficiency payments for fresh and frozen fish during the past 12 months, an industry which has also received some $4 million in terms of purchases of dried salt cod, all of which has been taken out of normal commercial channels and will be used for food aid purposes. Those dollar inputs have been there in 1968. The industry, of course, wants the taxpayers of Canada through the federal government either to buy some of its products or price support others of its products so it can continue (1) to pay the fisherman the same price as he received in 1967 and 1968 and (2), to have enough cash in hand to pay immediate bills, to buy the fuel and other supplies needed to send trawlers to sea in January, 1969, to pay interest on debts, and so on.

I think hon. members opposite know that we are all concerned about this problem. We must be concerned about it because we are on the verge of doing something unprecedented for the fishing industry in Canada. We do not want to start doing the same sort of thing as was done in respect of the coal mines in important parts of Canada and get in deeper and deeper. We must resolve what is a very deep-seated problem here. It is essentially one of productivity. We know that with the best management in the world and the best equipment in the world, the best vessels and the best plants, we can improve our productivity by 25 per cent.

[Mr. Davis.]

This by itself would be a $25 million solution to the industry's problems. But as I said before, this is not going to happen quickly. We can hope that the price will rise, particularly for codfish products to the United States, from 21 cents up to 26 cents or 27 cents; suddenly there would be another $25 million gross income available to the industry. Then this problem, at least in the short term, will be resolved. We are going around a tight corner and will have to come up with short term solutions as well as long term solutions. Mr. Chairman, the committee has been very tolerant in giving me this much time and perhaps I had better sit down and listen to other people's solutions to our problems.

Mr. Crouse: Mr. Chairman, I listened with interest to the remarks of the Minister of Fisheries who is piloting his estimates through the house for the first time. It is evident that he has spent considerable time studying the problems of this important primary industry. I am glad his estimates came before the committee today rather than on Monday, for on Monday the roster might not have permitted him to be here to carry out this very important function.

As the committee is aware, the fisheries estimates were referred to the standing committee on fisheries and forestry where the operations and policies of the department were given a very thorough scrutiny. However, we are dealing with an expenditure of some $75,106,300 of the taxpayers' money and there are a number of items upon which I should like to comment while the estimates are before the committee. Of course I shall also comment upon a number of the minister's statements with which I disagree.

The importance of the Department of Fisheries has been recognized over the years by the increasing importance of the fishing industry in our economy and in the economy of the world. Canada's fisheries resources are harvested from two of the greatest oceans and from the most extensive bodies of fresh water in the world. The living resources of the two oceans contribute up to 95 per cent of our nation's fisheries production, while the remainder comes from freshwater stocks in the Great Lakes and other inland waterways. We utilize commercially more than 150 species of fish and shellfish, the most important being groundfish, salmon, halibut, herring, lobster and other shellfish.

The country's fishing industry represents an estimated investment of more than $200 million in ships and fishing gear, and tens of millions of dollars more in shore facilities. It provides employment income for an estimated 80,000 fishermen, of whom some 30,000 are full time operators, as well as 20,000 men and women workers in our processing plants. The fishing industry makes a great contribution to our foreign exchange reserves, for over two-thirds of the industry's output, which last year was estimated at $325 million, is sold in export markets. In fact, our exports of fisheries products last year set an all-time record of $235 million, and Canada now stands in second place behind only Japan among the world's leading fish exporters in terms of value.

• (12:30 p.m.)

All this is very heady stuff and at first glance the average Canadian would get the impression that the fishing industry has had clear sailing with fair winds. In fact, in his comments the minister practically stated that Canadian fishermen never had it so good. However, this is simply not the case because the fishing industry is going through a very difficult period of readjustment. On the Atlantic coast the fresh and frozen sector of the groundfish industry is faced with falling yields on offshore grounds along with very serious marketing difficulties. On top of this, the reduction industry is faced with very low levels of world prices for fishmeal and oils. Generally, prices for most of our frozen fisheries products have declined in the United States which is our most important market. In fact, only a few weeks ago one of our European competitors sold 700,000 pounds of frozen cod blocks in the United States market for 20 cents a pound, not 21 cents but 20 cents a pound, which is one cent below the market price in recent weeks and approximately six cents per pound below our cost for landing the same species in Boston. Unfortunately the end is not in sight, for Iceland, one of our chief competitors, again devalued her currency from 57 krona to the U.S. dollar to 88 krona to the U.S. dollar, which is bad news for our fresh and frozen groundfish exporters as well as our salt fish dealers.

I know of no industry in Canada which faces economic problems as serious as those presently faced by our Canadian fishing industry. Many fish processing plants in the Atlantic provinces have already closed their doors—one in the town of Shelburne in my constituency—while others are on the verge of bankruptcy. This situation is the direct result of almost three years of declining revenues and increasing costs. As a consequence, there has not been any expansion—here I differ with the minister—in the over-all earnings of our fishermen and this situation is contributing to serious social and economic problems in our fishing communities. The records will show that from 1960 to 1966 we had a period of heavy investment in fishing vessels and processing plants which was encouraged by a strong demand and rising prices for our fishing products. The reversal of this expansionary trend since 1966 is not due, in my opinion, to any weakening of consumer demand for fish but can be related directly to developments abroad which have reduced market prices in terms of national currencies. This is one of the problems which the minister stressed in his statement.

It is evident that currency devaluation in European countries is now having a marked effect upon Canadian fish exporters. Coupled with devaluation is the disruption of Iceland's and Norway's traditional markets in Africa and these countries are now setting the pace of competition in our traditional markets. Therefore I found it hard to believe that the Minister of Finance could recently rise in his place and state that the currency crisis in Europe would not put any pressure on the Canadian dollar. If he wants to see the effect it is having on the Canadian dollar. I would invite him to visit some of our Atlantic coast communities. I was pleased that the Minister of Fisheries commented on this devaluation because it is evident he is aware of this problem, and I hope that the Minister of Finance reads these remarks today so that he too is made aware of the problem created for the Canadian dollar by the devaluation of currencies in Europe.

Faced with this savage competition, Canadian exporters have been able to hold their own in terms of quantity, but our position in the U.S. market was retained at a tremendous cost in prices. In fact, the duty paid delivered price of cod blocks declined from 30 cents per pound in November, 1965 to 21 cents in July of 1968 with similar declines in the prices received for ocean perch and flounder fillets. Since it takes three pounds of cleaned codfish to provide one pound of fillets, a decrease of nine cents per pound in the price of cod blocks represents three cents per pound less for raw material. In other words, the prices paid to fishermen for codfish would have been expected to decline by three cents a pound during this

period, but for a variety of reasons this did not happen.

In an effort to stabilize the industry, processors maintained prices to the fishermen using up working capital, bank credit and earnings from ancillary enterprises which they operate in connection with fisheries. However, many companies now find their resources depleted, and there is no easing of the pressure of supply on the U.S. market. I might add that prices would have been reduced this summer, but this last-ditch solution was avoided by the deficiency payment program authorized for the Atlantic frozen groundfish industry by the government. This program was in effect from May to October, 1968, and during this period the borrowing position of many processors was strengthened and a serious decline in the price paid to fishermen was averted.

For this program I am prepared to give the government full marks. However, the program has now terminated even though a substantial difference still exists between the costs of production of frozen groundfish products over the revenue received from their sale in the United States market. As I mentioned earlier, this difference ranges anywhere from four to six cents per pound, depending on the location of the processor and the distance between his plant and the U.S. market. With deficits of this size hanging over the industry, every fisherman on the Atlantic coast engaged in catching groundfish continuously faces the prospect of a 25 to 30 per cent drop in his earnings from this occupation. But while this threat hangs over him, every day brings him new evidence of substantial wage and salary increases approved by the government or granted to occupational groups in some other part of this country.

This government and this country have a responsibility to take action on behalf of our Canadian fishermen as long as the present depressed prices continue for their products. This government must show an interest in the economic well-being of thousands of our Canadian fishermen and their families, as well as in the processors upon whom they depend for the purchase of their catch. I say this because of the air of frustration and despair which hangs over hundreds of fishing communities where there are no alternative occupational opportunities. During the June election campaign the present Prime Minister stated that regional disparities were a greater threat to our national unity than differences in our languages. I say to this house that if there is a decline in the prices which fishermen now receive for groundfish and this decline lasts for any period of time, the result will bring chaos to the economy of the whole Atlantic region at a time when regional disparity is supposed to receive top priority from the Liberal government now in power.

I do not wish to be critical of the Minister of Fisheries, for the problems with which he must deal were created for him in no small measure by the inaction of the former minister, assisted by the former secretary of state. However, I did read the minister's speech as delivered at the Canada Day banquet in Boston on October 19 with some misgivings. The minister made it quite clear that the government is going to adopt a very hard line toward the fishing industry. These are his words as quoted from his text:

> Our commercial fishery, like any other industry, must make a profit for the Canadian community as a whole. It must generate more benefits than costs, it must pay taxes and not deduct too many tax dollars, it must pay its way and not constitute a new burden on the Canadian community as a whole.

Farther on he added:

• (12:40 p.m.)

> We do not intend to go on propping up the fishing industry indefinitely.

These are harsh words, Mr. Chairman, harsh words spoken in another country about a people and an industry which has been a way of life for many thousands of Canadians and which has contributed many millions of dollars to our country's progress, to our country's foreign exchange reserves through the export of our fisheries products. However, today Canada's fishing industry, though still made up of wooden ships and iron men, is fighting literally with its back to the wall; it is fighting the bureaucracy that grants pay increases which alone are sometimes greater than the annual earnings of some of our fishermen. It is fighting increasing governmental aid in many parts of the world which permits the exporters of those countries to take away our traditional markets. It is fighting for its markets against state-owned vessels from behind the iron curtain, the operators of which seem to have little or no problem when it comes to balancing their books in relation to profit and loss on their operations. It is fighting to keep its ships in the water and provide a livelihood for Canadian fishermen and their families and Canadian shore workers and their families.

In spite of runaway inflation in costs and diminishing prices for fish, the industry is even fighting for a place on the ocean in which to fish. This results from a lack of action by the government which failed to implement Canada's Territorial Sea and Fishing zones Act which was passed away back in 1964. Today the minister spoke at great length about a wonderful new industry, one of the stars of the fishing industry, the queen crab fishing industry. While we welcome a new fishing venture which the department, through its fisheries research, helped us to establish, I would say to the minister that the queen crab industry is primarily located in the gulf of St. Lawrence. It is an industry, Mr. Chairman, which is exposed to exploitation by every other nation, and will be so exposed until Canada's territorial sea and fishing zones limit is implemented. This is something the minister must take into consideration because unless some action is taken to implement that act the queen crab industry will be exposed to foreign exploitation. It is for this reason I said the minister inherited some of these problems.

I recall the former secretary of state for external affairs rising in his place and saying that this measure would be implemented immediately it was passed by parliament. It has not been implemented yet and the lack of action by the government has created no small problem for our Atlantic coast fishermen. The minister said, in effect, that the fishing industry must stand on its own feet. I ask the minister, is this attitude going to be adopted toward other government operations? Is this the attitude that is going to be adopted toward the C.B.C. which this year will have a deficit of as much as $150 million? Are we going to make the C.B.C. pay its way? I agree with the minister's concept that it is desirable to have all our industries stand on their own two feet. However, I cannot agree that our fishermen, faced with abnormal economic conditions forced upon them by the actions of other national governments, should be allowed to founder on the rocks of economic privation, desperation and despair when they need help.

I ask the minister, what does he think will happen to these people? What does he think will happen to many of our small fishing ports unless some action is taken by the government? It is not possible to put all these people on welfare and we cannot let them starve. We cannot ask them to compete, without aid, with Norway, for example, whose parliament approved a state subsidy for their fishing industry up to May 31, 1969 in the amount of $32 million U.S. dollars. This type of support measure for Norwegian fishermen is aimed at reducing the cost of fishing gear and bait and will be paid on the amount of these items actually bought by the fishermen. With some of these costs borne by the Norwegian government, it is possible for exporters to sell their fish at lower prices than those required by Canadian fishermen.

However, this is only one sample of the type of competition our fishermen are forced to meet. In my opinion, the government has no alternative at the present time but to formulate a policy of direct federal assistance to the Atlantic fishing and processing industries. This policy must take into consideration the immediate short term needs of the industry whose operating losses have depleted financial reserves of the fishermen as well as processors, and it must also consider a long term approach which will assist in reducing costs and expanding consumer demand for fisheries products.

According to all reports, there will be no easing in the immediate future of the pressure on world markets for the salt cod or the fresh frozen industry from European and Scandinavian countries. Until peace is restored in Africa, the fishermen of Iceland, Norway and Denmark will continue to press for greater exports to the United States. In fact, during the past eight months these exports have increased to the United States by some 40 million pounds. It is imperative, therefore, for the short term for the government to re-establish the deficiency payment program and the salt fish surplus disposal program. The deficiency payment program could be implemented in a number of ways.

I am well aware of some of some of the problems facing the minister in this regard, especially in relation to the general agreement under GATT and the Kennedy round. For example, the deficiency payment could be made on a graduated scale to fishermen and boat owners based on the number of days registered as fishing at sea, thus spreading the payments to a number of varieties of groundfish. For processors the deficiency payment could take the form of a supplementary payment on a percentage basis covering the number of man-hours worked by shore employees. Other formulas for the deficiency payment could no doubt be worked out, but

I cannot stress too strongly the need for the government to take immediate action on this thorny problem.

For the long term benefit of the fishing industry I can only suggest that the government in future use more of its fisheries budget to help educate North American housewives on the nutritional value of eating seafood. In my opinion, in the past there has been too much emphasis on the productive end of the fishing industry and insufficient emphasis on the marketing of fisheries products. I should think it would be possible to perfect a seafood sandwich that could be sold at drive-ins. This is something upon which the department could work. In addition, well prepared fish and seafood luncheons could be served in our schools. More imaginative seafood displays could be used in our stores, and a training program instituted for the managers of seafood departments in our supermarkets. All of these things would be helpful.

We have heard much about the progress being made in the Kennedy round of GATT negotiations. We are told that the United States tariffs on cooked and uncooked fish sticks of 30 per cent and 20 per cent respectively are being reduced by 50 per cent over a five year period. In other words, the final stage will not be reached until January 1, 1973. In my opinion, Mr. Chairman, this is not good enough. It is too little too late because there are still formidable barriers which make it very difficult for Canadian firms to compete in United States markets.

On the Canadian scene, it would be very helpful if the Minister of Industry, Trade and Commerce—I am glad to see him in his seat this morning—would get together with the Minister of Transport, if he could find him, in an effort to speed up the railway service on less than carload shipments of fresh fish. As the minister is aware, the industry has made great strides in the processing, packaging and shipping of fresh fish to our markets in Ontario and Quebec. We are dependent on rail shipments to these markets to which we ship around 12 million pounds per year. At the present time we are faced with increased costs on these shipments. In fact, I believe it was last September that charges on these shipments increased by something like 10 per cent, a cost which the industry can ill afford to bear.

This, in itself, was harmful to the industry but even more important and even more harmful are the delays experienced by some of our processors in their l.c.l. shipments. I would point out that fish is very perishable and time is of the essence. Time is most important in the transportation of such a highly perishable product as fresh fish. Anything that the Minister of Fisheries, the Minister of Industry, Trade and Commerce or the Minister of Transport could do to lower these costs or to speed up the delivery of fish would be beneficial to the entire Atlantic coast industry.

• (12:50 p.m.)

On the international scene Canada should take the lead in establishing sound conservation measures as well as a more rational basis for international merchandising of fisheries products. I want to warn the government that unless conservation measures are soon taken to prevent the increasing depletion of our groundfish stocks by foreign fishermen, the day is fast approaching when the offshore and inshore fishing industry on Canada's east coast will become uneconomical.

It is evident that the approach used to date for the implementation of Canada's Territorial Sea and Fishing Zones Act, passed in 1964, has not been successful. However, if that act had been implemented as promised in 1964 there would have been a reduction in the catches of fleets from other nations which now fish these waters and consequently there would be less pressure on our traditional markets. At the same time, hopefully, our Canadian catches would have increased and unit costs would have decreased.

In my opinion and for the reasons I have stated, the government therefore has a considerable measure of responsibility for the situation which exists today in our fishing industry, a situation which has existed for some time and which, if the government does not take any action, will exist for some time in the future. In closing may I say I hope the government will face up to its responsibilities and to the challenge that is before it, for the benefit of our fishermen who for too many years have been the forgotten Canadians.

Mr. Rose: Mr. Chairman, I am a little startled and surprised to be called on since it is so close to one o'clock. I realize I will not have the opportunity, at least before lunch, to explore all of the various topics I wish to discuss. However, I should like to add my congratulations to the minister upon his appointment and to say that in all the dealings I have had with him up to the moment he has been most cordial. I have been

impressed by his grasp of the industry and also by his fair-mindedness in dealing with any problem I have brought before him.

In spite of the fact that the year 1968 has been a record year and that over the past ten years there has been a decided increase in the earnings of fishermen on both coasts, the industry has not been without trouble. Apparently the fishing industry, like many other industries in Canada, is going around a very tight corner. One of the problems that members of parliament will have to face is that we are entering upon a period when many industries are reacting to the kind of economy which exists in the world at the present time. Anything that we do here is not done, of course, in isolation from the rest of the world, since we are an exporting country and the success of our exports depends to a large extent on the world market picture and economies in the world generally.

My remarks will be directed mainly to the salmon industry. However, by way of preamble may I say that I was a little taken aback at the minister's suggestion that fish are the source of cheap protein and therefore on that count alone a desirable commodity. I think his presentation might have been a good deal more positive. It sounded as if he were suggesting that in utilizing completely the whole fish we in Canada would eat the fillets and then ship the remainder of the fish, though rich in protein, to some other country that does not enjoy our standard of living.

I believe that the whole idea behind the promotion of fish and fish products should be an attempt to make this product as attractive as the promoters of beef and chickens have made their products. Nobody has ever heard of heavenly fish although one hears a great deal about heavenly chicken. Neither does anybody compare fish steaks or salmon products with the gourmet's delight, the filet mignon. If I may make the suggestion, I think that the promotion of fish products can benefit from the kind of attractive merchandising that many other industries have cottoned on to and are pursuing in a much more able and aggressive manner than is the case with fish products.

I have also been interested to note that in our own parliamentary restaurant we have probably the most delightful recipe for poached salmon that I have ever had the good fortune to meet. And when I say "meet", I am not intending a pun. Nevertheless, I suggest that this sort of recipe and the promotion of this particular item in the diet will encourage people to eat more fish.

My ancestors came from Prince Edward Island, and I happen to enjoy fish products. But in most cases I find it difficult indeed when I go to a restaurant to be able to purchase fish products attractively prepared. Since I have mentioned the parliamentary restaurant I should like to say that during the lobster season I think it would be very nice to have lobsters prepared attractively rather than just served cold on a plate.

The Chairman: Order, please. It being one o'clock I do now leave the chair until 2.30.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Rose: Mr. Chairman, as I said before lunch, I am very interested in what the minister and his department have achieved. In my view fish products ought to be marketed in a much more attractive way than at present and promoted aggressively on the basis that not only are they substitutes for meat but an attractive basic food as well as a delicacy in some cases. Although the minister is an affable sort of man the industry as a whole is in trouble. Over the years many militant labour disputes have broken out in the industry, and we are not free from that difficulty today. The reason for that, is that the industry in general is depressed, paying depressed wages for work done under medieval working conditions. When one considers the poor markets for fish it is small wonder that we have difficulties of this kind in this industry, or in any other industry that suffers from the evils experienced in the fishing industry.

The minister mentioned some interesting conservation projects, including Babine lake and various other projects. He mentioned productivity, and I wish to deal with that. In the fishing industry productivity is not the responsibility of those who man vessels or are employed as cannery packers. The workers do not control productivity; it is controlled by those who own fishing companies and canneries. Over a long period we must increase investment in ships, canneries, shore installations and processing equipment, to say nothing of improvements in transportation, packaging and marketing before we shall see the productivity of this industry growing. To increase our productivity we must have a work force that is better educated and we

must channel sizeable amounts of money into investment of badly needed research. Only in that way will new markets be developed.

Pollution of fish spawning grounds is a problem that plagues the industry. The minister and his department so far have been able to exercise little or no control over this matter. I hope the minister will recognize how serious the problem of pollution is and make a statement about it. I also hope to hear something from the minister about the progress of the proposed Canada Water Conservation Assistance Act amendments. Is a bill to be introduced soon? I ask this even though the matter may come under the aegis of the Minister of Energy, Mines and Resources. We must tighten the various departmental and provincial responsibilities with regard to pollution and we must recognize that responsibility for pollution is not something that is only of regional interest but concerns our entire population.

I should like to hear the minister say something about the establishment of an anti-pollution authority. I submit that the plans of various municipalities and plants to use the rivers and lakes of Canada as so many open sewers for the disposal of waste ought to come under scrutiny. No one ought to be allowed to dump waste into our rivers and lakes that are inhabited by fish and used by human beings in summer. We must bring strict regulations to bear in this area so that our rivers and lakes may be kept as free of pollution as possible. Over the years persuasion has not been enough to curb this problem and I should like some concrete governmental action taken in this regard.

May I direct your attention, Mr. Chairman, to the salmon industry of British Columbia, an industry which has faced troubled times and will face troubled years in the future. The fishermen of my area are disturbed because fishermen from the United States may fish in the waters off Point Roberts on days when the fishermen from my area may not do so. Regulations govern the catching of fish in the Fraser river. On certain days our fishermen are prohibited from fishing but this prohitition does not apply to United States fishermen. Our fishermen complain that while they are prohibited by our laws from fishing on certain days in the Fraser river, United States fishermen take advantage of their inability to catch fish about to enter the Fraser and obtain catches which our Canadian fishermen would have obtained if they had been allowed to engage in fishing.

[Mr. Rose.]

• (2:40 p.m.)

The salmon fishermen, as represented by their union, are concerned about the new licensing regulations which have recently been proposed and imposed by the minister. For the benefit of the committee, Mr. Chairman, I would like to review some of the points connected with these new regulations. I believe the main point in these proposals is that there are to be no new licences issued, at least for the time being.

The vessels that fish for salmon are divided into two kinds, class A and class B. Class A are those described as having a total value catch of more than $1,250 in 1967 and 1968, and class B are those which have had a total catch of less than $1,250 in 1967 and 1968. The class B licences are slated to disappear along with the boats. A licence will die when the boat is no longer a viable fishing vessel. There does not seem to be any criticism of this action regarding class B vessels. The main point at issue rests with the issuing of licences to class A boats because those licences are now to be bought and sold with the boats to which they are attached. The big question is, who can buy these boats and therefore acquire a licence for himself?

As I have said, Mr. Chairman, these new regulations are of deep concern to many fishermen and that concern has been expressed by their organizations, notably their union. We must admit that all branches of the Pacific coast industry with one exception, the Prince Rupert Co-op, agree that there should be some kind of limitation, but the question concerns the method by which limitation is to be accomplished.

I would like to outline to the committee the main fears of the fishermen, as represented to me, on this matter of particular importance to them which affects their livelihood. The first point is that fishermen who know no other occupation, fishermen of all ages and in all branches of the industry, might be prevented by these new regulations from ever being able to fish privately again. They are concerned because they think they may have no other choice than to become employees or slaves of the fishing companies. They cannot afford to purchase class A boats. In many cases they have spent their whole lives and their families for generations have spent their lives in the fishing industry, and they fear that in the future they will be excluded from it.

The second point is that these new regulations will lead to the establishment of a select

group of vessel owners, many of whom will be fishing companies. The big corporations, the well financed companies, will be in a position to purchase class A vessels. They can even afford to buy them, hold them out of use for a while, retain the licences and use them at a future date. The main matter that particularly disturbs private fishermen with limited resources is that few of them will be able to compete under the kind of licensing arrangements that are forthcoming.

The third point of disturbance is that because class A boats with licences attached are limited in number, their price will be so high that only large fishing companies will be able to purchase them. The fishermen fear the concept of vertical integration such as has developed in the forest industry, whereby a company will own the boats and the canneries and will wholesale and market the produce. This is likely to occur in the fishing industry. When we have a situation such as exists in the forest industry, where there is vertical integration, I feel that the much praised concept of free enterprise and free competition no longer exists. Such a situation leads to the control of an industry by a relatively few companies and is ultimately more costly for the average citizen.

The next point is that this type of vessel price-kiting can lead to such an extra investment in vessels and equipment that it will eventually affect productivity. As you increase your investment in a particular industry and your production, your crop, as it were, remains relatively the same, productivity is bound to go down. In fact I am told that this has already happened in the fishing industry because the minister has said that there are too many fishermen chasing too few fish.

Finally, fishermen are concerned about what provisions are being made for their retraining and to provide them with a measure of mobility, if they are going to be displaced from the fishing industry by these new regulations.

Through you, Mr. Chairman, I wish to advise the minister that the fishermen in my area are so concerned about this matter that they have asked for a meeting next Friday, a week from today, to see what can be done to humanize these regulations. This is a matter which the minister and I have discussed previously, and I feel certain that he will consider it in all seriousness.

The minister has said that everyone agrees to licensing limitations, except perhaps the Prince Rupert Co-op, and that only the union objects to this form of licence limitation. However, this is not completely compatible with my information. As the minister discovered in Prince Rupert recently, other groups are beginning to have gnawing doubts about the effect. I have heard that fishermen using trawlers and seiners are no longer in complete accord with these regulations, and this is something which should be taken into serious consideration. Many of the trawlers and seiners were out at sea during the various deliberations that took place when the licensing regulations were proposed initially. I am certain they would like to review this whole matter, and I would hope a thorough review will come out of the deliberations of the fisheries committee when it travels to hold meetings on the west coast as it plans to do.

What are the alternatives to the method of limitation proposed by the minister? We might consider licensing individuals who are committed to the industry. I am not talking about moonlighters, those people working normally in other jobs who come into the fishing industry, work at it for a while, take the cream off the top and then go about their other business. I would suggest that such people should go sport fishing. This seems to be the kind of hobby approach we are facing in the fishing industry, but perhaps I do the minister a disservice by treating his suggestion frivolously because I too think there is much to be gained from his suggestion that the sport fishing industry has a lot to offer by way of profit to those engaged in it and to various related industries.

I would point out that the fishermen's union proposes a five year moratorium on licences and that the renewal of a licence be granted on the basis of the catch of a particular vessel attached to a particular person. The suggestion has been made that if a person derives from 30 per cent to 50 per cent of his annual income from fishing, that would be sufficient to consider him a bona fide fisherman. This is not something that is absolutely new. The Farm Credit Corporation will not lend money to anyone who is not a bona fide farmer. I think something along these lines might be considered. Possibly a waiting list should be established and administered by a board composed of representatives of the fishermen's organizations, the Department of Fisheries, and perhaps some disinterested body such as a university. Certain preference should be given to those families which historically have engaged in the fishing industry in our province.

Supply—Fisheries and Forestry

• (2:50 p.m.)

I hope the minister will look into the proposals which have been advanced in an effort to see whether or not a solution can be arrived at in respect of the licensing problems facing this industry. I believe the provision to the effect that ownership of a boat allows a fisherman the right to fish and that the privilege of owning a boat is dependent upon how much money a particular individual has is surely discriminatory and unfair and will ultimately lead to the disappearance of many private fishermen whose resources are not sufficient to reach the financial heights of the resources of the fishing companies. Certainly this industry and the various related industries such as cold storage plants, outfitters and canneries should not be subjected to further disruption. Unrest in this industry must come to an end if the industry is to be effective on behalf of all Canadians.

I think it should be pointed out that the minister, on the one hand, is limiting the salmon fleet by reducing the licences and, on the other hand, recently there was a new proposal to spend $4½ million for vessels and training and retraining of our native Indian fishermen. This action is designed to encourage them to enter the salmon fishing industry. No one argues that this is not a good thing. Certainly these native people require a great deal of assistance in getting started in the industry, but this is bound to be resented by some because of the anomaly involved in that on the one hand we are cutting down the number of licences and on the other hand increasing them.

I should like to make one final point. It seems extremely strange that the fresh fish marketing boards do not come under the Department of Fisheries. It has been my experience in respect of the various agricultural marketing boards that in many cases they have been the means of protecting the particular products which they were designed to market. I hope the fresh fish marketing boards can soon come under the aegis of the Minister of Fisheries. I hope also that this can be accomplished rapidly for the benefit of the fishing industry in its entirety. I suggest that perhaps the minister should enter into a complete review of this matter and give a celebrated second look at the proposed licensing regulations.

Mr. Goode: Mr. Chairman, during the last ten years all ministers of fisheries have been appointed from the eastern provinces. Although they were capable men the west coast fishermen felt that these ministers did not have a full understanding of the problems of British Columbia. Indeed, many Pacific fishermen pointed to the days of Jimmy Sinclair of Coast Capilano, now Capilano, as being the last era of major co-operation between the federal government and themselves. Without a doubt Jimmy was an outstanding leader of the department. He led the industry with progressive legislation.

[Mr. Rose.]

Some hon. Members: Hear, hear.

Mr. Goode: By coincidence the present Minister of Fisheries also represents the same riding. He is also becoming known among M.P.'s as co-operative, progressive and a man who is not afraid to enact legislation. Equally coincidental is the fact that the fishermen and the fishing industry in Jimmy Sinclair's days were represented in the Burnaby-Richmond delta by a member named Tom Goode. I do not wish to suggest that only "Goode" legislation is enacted in British Columbia and that fisheries flourish only when the member from Capilano is the minister and the member from Burnaby-Richmond delta is on the government side and his name is Tom Goode. I should like to point out, however, that Burnaby-Richmond has another Tom Goode although perhaps not yet of age. However, if Capilano in another 25 years can produce a minister of fisheries, we will have another Goode as the member from Burnaby-Richmond.

In British Columbia the wages of workers in most industries have increased substantially in the past ten years. Many of them are doing well. Families have obtained a standard of living equal to any in North America, but the fisherman has fallen behind. His family is not benefiting from a prosperous Canada. As salmon catches by individual boats have gone from bad to worse more boats with ever-increased investments in gear are fishing for fewer salmon. The Department of Fisheries has cut down on the allowable fishing hours in order to permit some salmon to escape from this larger fleet. Thus the income from the rivers and the ocean off the coast of British Columbia has diminished. Alarm has spread as pollution has become apparent in the major rivers of British Columbia. Nothing has been done about this pollution.

The battles and representations for a headland to headland base line have produced no victories and have caused the men and the industry to feel that no one really cares. To

make matters worse, the Russian and Japanese fleets presented themselves off our coast line. These fleets at first stayed well out to sea until 1964 when, as a result of lack of base lines and an inadequate 12 mile limit, they crept closer and closer to our shores taking more and more fish. The Russians with their massive fleet and their floating processing ships threatened to destroy our bottom fisheries. The fishermen have suffered from lower incomes, poor catches, too many boats, foreign fleets, pollution, increasing costs and no local fisheries minister to complain to.

But once again enthusiasm and optimism are spreading among the boats. The fishermen now know they have a competent minister of fisheries who is from British Columbia. They know he understands their problems. They have heard that strong government investigations are being carried on in respect of new headland to headland base lines in order to stop the destruction of our fisheries by foreign fleets. The fishermen know that the fresh new government and the eager new M.P.'s from British Columbia realize that pollution must be controlled and they know that the Fraser River has No. 1 priority. The government has promised new low cost loans for the purchase and improvement of fishing boats. At last the high interest rates will be done away with.

This summer, in response to the long time representations of the fishermen, the minister responsible brought in licensing restrictions to limit the future number of boats allowed to catch salmon. Two categories, A and B, were immediately instituted to cover salmon boats and class C was later added to cover halibut and herring fishermen. These regulations immediately disqualified 1,000 boats from further participation in salmon fishing, leaving 5,500 vessels in the preferred category A and 1,500 smaller boats in the restricted category B. The basis of the regulations is to stop the entry of additional fishing boats into the business and to upgrade the class A boats. It is hoped that most of class B will disappear in the next few years.

In class B is included one of the major sources of annoyance to professional fishermen. Here we have the part time fisherman or moonlighter, as he is called. He swarms over the best positions on the river. He constantly hinders and restricts the proficiency of the fleet by his inexperience. He is a fireman, a school principal, a millworker, or a student. He is not a legitimate fisherman. He catches few fish, less than 2 per cent of the total salmon catch, but he represents 22 per cent of the boats on the rivers. For the good of the industry the moonlighter must be eliminated. This must be done soon in order to restore the fisherman's confidence in our government.

• (3:00 p.m.)

The government's proposed program to purchase these class B licences for the health of the B.C. fisheries must be brought in without delay. We must prove that this government is sincere in its desire to reduce the number of boats. We must prove that we will no longer tolerate substandard incomes among our fishing people. We must eliminate these 1,500 class B vessels in the shortest possible time, at the outside within a maximum of three years. If this program is followed we will eliminate the need for welfare and unemployment insurance among the fishing people. The bitterness will disappear in these fishing communities.

There are two methods open to the government in order to fulfil a short term elimination of moonlighting, and I encourage the use of both. First, the yearly purchase of a large number of licensed boats through a government fund supplemented by increased payments for boat licences should take place. Second, we must progressively increase the minimum catch limit allowed to hold a class A licence from the present 1,250 yearly catch limit over a three year period to 3,000.

Let us eliminate the small part time boat. The seiners, the trawlers and the gill netters of B.C. have always plied their trade with great vigour and skill. They are also renowned for their ability to bring their elected representatives to task whenever they feel the need has arisen. They feel that these new regulations have brought forth a definite need to criticize their minister and their members of parliament. This criticism is welcomed by all of us, for this is the path to good co-operative legislation. There are many criticisms of the new fish boat licensing. One of the main points of opposition originated with the United Fishermen and Allied Workers Union, an organization which negotiates product prices for most of the British Columbia salmon fishermen. The union agrees that licensing is important and has been making representations for control to deaf government ears for over a decade, but the agreement that there must be controls is the last point of concurrence between government and union policy. The United Fishermen

would prefer licensing of individual fishermen themselves rather than have licences remain with the boats.

With the suggestion of a five year moratorium on new persons entering the profession the union further suggested that to remain in the industry an operator must obtain over 40 per cent of his annual earnings from the sea. This would mean that fishermen would be forced to present one tax return to the Department of National Revenue and another to the Department of Fisheries. We do not want to investigate fishermen's incomes and they do not want us to do so. Therefore there is no way we could possibly restrict people entering the industry on the basis of income, because the income of fishermen varies every year.

The union's proposed program possesses weaknesses and errors which override any advantage in this form of approach. First, by enforcing the five year moratorium on licensing of new fishermen we would be eliminating the entry into the industry of those young men whose heritage directs them to this exciting life. They have the right to enter this business just as those men in the business have the right to remain. Today's young men would be denied the right to follow this chosen pursuit for at least five years, at which time they would have no guarantee of entry. The decision would not belong to the individual but to a government controlled board which would be forced to consider all applications, not only those of fishermen's sons but others.

Who would then receive the nod to enter this profession? Would we deny entry to new Canadians? Would we limit it to people over 25 years of age and under 50 years of age, or would we limit it to friends of fishermen or friends of the government in power? Would we stop new Canadians from entering this industry? We should remember that new Canadians make up most of the labour force in the fishing industry. This is not the way to solve the difficulties.

Second, the limitation on income is contrary to the Canadian way of life. We believe that the man who works the hardest presumably receives the greatest reward, but we would be telling men not to work in the off-fishing season but to stay at home on unemployment insurance and welfare benefits. Let us remember the one fact that fishermen in our country are now receiving $3 million each year in welfare payments and unemployment insurance benefits; yet they return only $100,000 in revenue or 30 times less than the benefits which are being drawn. This is intolerable for both the fishermen and the taxpayers.

The Burnaby-Richmond delta possesses many brand names that are world famous in relation to seafood. Two of these brands are synonymous with quality salmon. They are Cloverleaf, produced by B.C. Packers Limited, and Paramount produced by the Nelson Brothers. Both firms' products are packed in the Richmond-Steveston area, and we are exceptionally proud of the part these industries play in the Canadian economy.

In conclusion may I point out that the fishermen of the Burnaby-Richmond delta do not want welfare or unemployment insurance. They do not want to stop people from entering this industry but they do want the right to control the entry of new fishing enterprises and they want the right to control prices.

Mr. Moores: Mr. Speaker, I should like to congratulate the hon. member for Burnaby-Richmond for his kind remarks about the minister. I suggest to the minister that possibly that hon. member should be appointed as his public relations man on the west coast.

Let me deal primarily with the catastrophic situation existing in the groundfish industry of eastern Canada and particularly in Newfoundland. Last spring I had the opportunity to write an article dealing with the then difficult time the industry was experiencing. Except for government action the present crisis would have come about much sooner. The deficiency payment scheme was introduced and lasted until the end of October. Its implementation allowed the industry to survive. Its elimination without anything to replace it has dealt the industry and the many thousands connected with it a fatal blow from which they cannot recover. It is for this reason that I plead with the minister to reconsider his position. I also realize that the existing problem was not caused by the present Minister of Fisheries, but while this may be the case it is now his responsibility to overcome the problem.

During my remarks I do not intend to be kind to the industry, but neither am I going to let the government off the hook. The imminent ruin of the frozen fish industry is so serious to the economy of Newfoundland and of Canada, so tragic in its implications for thousands of ordinary Canadians, that it cannot be sloughed aside again by the government. Make no mistake about it, the death of

this industry is sure if the government, wilfully and callously, continues to withhold the life-giving measures necessary. Failure to take meaningful action now means the end of an industry and the end of a way of life for tens of thousands of Canadians. If this end is allowed to come, the odium of it will cling to this government for all time.

I have no interest today in trying to embarrass the government or to criticize it simply for partisan advantage. I have no wish to single out individual ministers or members for attack. The question is too urgent and too grave for that. This is something of such pressing and fundamental concern to so many that it is impossible to exaggerate or overdramatize. It passes all understanding that the stark social and economic injustice of allowing this industry to die by default could happen in this oddly-titled "just society". If there is any sense of justice, if there is any feeling of compassion, if there is any plain, old-fashioned common sense left within this government, I appeal to it through the Prime Minister to act now and play later.

• (3:10 p.m.)

As I have said, I would like to mention again the Minister of Fisheries. I believe he is genuinely concerned about the plight of the industry. I believe he feels for the thousands of ordinary Canadians so closely involved with its life or death. I believe, too, that he wants to do something to help this industry and its people. In the past we have directed the minister's attention to the problem. After all, it is neither strange nor new. In all justice it must be said that he has shown an appreciation of its importance and its dimensions. But the situation in Newfoundland is gravely serious today, much more so than the minister apparently realizes. The trouble is primarily financial. The reasons for the trouble are many. I believe that in order to bring the present picture into focus it is necessary to briefly review our fisheries background.

The most prolific groundfish supplies in the world are accessible to the Newfoundland deep sea fleet. This, as well as the natural phenomenon of the inshore fishery, when large quantities of fish come to the coast of Newfoundland during certain periods each year, means that the cost of raw material has been relatively cheap. In the case of other fishing nations, especially the Europeans, their capital investment in fishing equipment together with the long distances they travelled to get to the fishing grounds meant a much higher cost for raw material than was the case in eastern Canada. This in fact meant that the Newfoundland processor had, and has a considerable head start in the matter of cost compared with his competition. Our competitors, faced by this unfavourable raw material cost difference, were forced to compensate by becoming very skilled in other phases of fish processing. Whilst they became very skilled in productivity and efficiency, the Newfoundland industry went merrily on its way, partially resulting in the present state of affairs.

The undercapitalized and very segmented Newfoundland industry also paid the penalty of underutilized facilities in the form of seasonal plants in which employment was only assured for a few months each year. This resulted in attracting poor quality labour and being unable to develop the necessary skills owing to the high turnover from year to year.

The world supply of frozen groundfish exceeds demand, and even if the world catching power remains constant this situation is likely to continue in 1969 and 1970. The production by Newfoundland firms has been mainly of low value commodity items such as cod blocks, with some, through a small, effort to produce more refined and better value packs, and virtually no effort to produce the more sophisticatedly prepared and high value packs.

The reason for the difficult marketing conditions that exist is readily explainable. The world suppliers of fish and fish products, in a fit of optimism and a state of euphoria, embarked upon a massive build-up of catching power. This was commenced a few years ago for the following reasons:

1. Rising prices, which advanced in the case of cod blocks from 23 cents to 30 cents during 1965 and 1966.

2. Optimistic forecasts.

3. Increasing sales and the introduction of new products.

4. Steadily increasing consumer facilities such as deep freezes, refrigerators, etc., especially in Europe.

5. The always present theory of increasing volume in order to lower costs.

The reasons were valid and some of the build-up could have been justified. However, without any planning or consultation the world fishing industry went blissfully ahead, led by an even more blissful Newfoundland. The fishing industry in Newfoundland, because of its background and location, has been wholly production oriented. Owing to

the size of the companies, virtually none of them were, or are, capable of developing the necessary marketing and sales arrangements because of the lack of diversified products, volume, finances and, probably most important, know-how. This resulted in the easiest course of action being followed, volume sales of low value commodity items through brokers, a course of action that guaranteed the lowest possible return. Since the second world war the fishing countries of the western world, other than Canada and the United States, have received increasing industry-wide subsidization. Information as to the form and implementation of the many and varied schemes is available.

The iron curtain countries have in recent years also made a massive assault on the north Atlantic fisheries and today, Mr. Chairman, when 40,000 tons of Canadian deep sea fishing fleets are operating off the eastern Canadian coast, there are 2,800,000 tons of subsidized European fleets fishing there. To put that in slightly different language, for every ton of ships sailing out of Canada there are already 80 tons fishing in the northwest Atlantic from western and central European countries. Our main western European competitors, namely, Norway, Iceland and Denmark, have received subsidization in many forms. A few of the major ones are, first, on the purchase price of raw material—for instance, in Norway the fishermen receive 6.77 cents per pound for cod and the government pays 50 per cent of this amount; second, on labour rates; third, through state encouraged and even state controlled marketing and processing organizations. In the case of Iceland, whose economy is primarily fishing, their method of subsidization is through continuous devaluation of their currency. This, of course, is a situation which cannot last, but in the past few years Iceland has devalued its currency 26 per cent.

These and many other factors are the reasons why we in eastern Canada cannot compete against the very heavily subsidized European fleets. The peripheral benefits that Canadians receive and which could be misconstrued as a form of subsidization, that is, unemployment insurance, able-bodied relief, etc., especially as they apply to fishermen, are more conducive to non-productivity than they are to productivity.

One of the major problems in the Canadian fishing industry, but much more especially in Newfoundland, has been the uncontrolled growth of a multitude of small privately owned companies. These companies, due primarily to financial resources, lack the technical advancements in processing and catching equipment and have failed to keep up. The size of the companies, and in turn the individual plants, inhibit the employment of professional management in the administrative, accounting, technical, marketing and sales areas of their businesses which our much larger European competitors enjoy. The individualism of the Newfoundland owner has been such as to avoid mergers or any form of group co-operation which would mean he was not in control in name and in fact. This individualism was to be admired when the individual was matching wits with his counterpart in another town or hamlet in Newfoundland. However, it cannot survive in the international league in which Newfoundland finds itself competing today. As unpalatable as it will be to some people, the fact remains that the day when one owned the only horse and buggy in town is over.

These factors, together with the haphazard policy of the provincial government of putting large amounts of money into the industry in an unplanned and uneconomic manner, have led to the present chaos. We can easily define the problems and the reasons for them, but the solutions are much more difficult. However, I will sincerely try to provide some of the answers in a minute or two after advising the house just how serious is the present situation.

I believe I can show that the matter is urgent and critical. I believe I can demonstrate the dimensions of the problem, its causes and effects. I think that I can even provide some suggestions as to what should be done to save this important part of the Canadian economic fabric and eventually bring it back to full productive capacity. But perhaps more important, in the light of the government's apparent unawareness and apathy, I can point out what this government will be faced with if immediate remedial action is not taken. There will be thousands upon thousands of unemployed, undernourished and poorly housed Canadians on our eastern coast. There will be a ruinous impact upon the economy of a region, and eventually a heavy drag upon that of the nation as a whole. There will be bankruptcies and heavy losses among creditors. There will be cries for help from many quarters by way of demands for direct relief payments, subsidies and emergency payments of all kinds.

Because deficiency payments ended at the end of October, Newfoundland companies will from now on be trying to live on trading

results only, without government assistance. The present market condition has been created by countries with heavily subsidized fishing interests both in their fleets and on shore or by countries which have recently experienced drastic devaluation, as I have mentioned previously.

• (3:20 p.m.)

The industry has now been advised by telegram from the minister not to count on any help from the government of Canada before the end of the fiscal year ending March 31, 1969, with no indication of what is to come after that. This means five consecutive months of substantial losses estimated for those processing groundfish in Newfoundland, cash losses of between $300,000 and $400,000 a month for the companies concerned. The trading losses including depreciation are of course in the order of half a million dollars per month, and I think it should be stated that the depreciation cost is as valid a cost as the actual cash loss. Half a million dollars per month is the over-all trading picture which includes depreciation, but even if one said, "well, I am concerned only with cash", the cash figures would be between $300,000 and $400,000 of actual cash loss per month, though for five months it would be getting on to $2 million in the industry. The actual cash loss for five consecutive months, not including depreciation, would run from $1½ million to $2 million. The trading losses, including depreciation, which I insist should be taken in, would be in the vicinity of $2 million to $2½ million between the termination of the deficiency payments and the end of the government's financial year.

The situation is that now all companies are running at a loss position every month. Most of them are already reaching the limit of bank borrowing, and the those few who are not are so close to it that it makes no difference. So if they cannot raise money from some other source, other than trading, then a shutdown is inevitable for all companies. The actual number of days and weeks until it happens depends on how successful people are in raising funds elsewhere and on their willingness to go on anyway despite the very bleak picture, without any government assistance whatsoever until the end of March at the earliest, and most of them feel that they might as well get out right now and cut their losses.

At the present time the fishing industry is very heavily in debt. Their bills payable are excessive, with a great percentage of the money owing in excess of 90 days and most of the balance being due from 30 to 60 days. This is a situation which, of course, cannot be tolerated. If the creditors press for payment—and naturally they will with the industry in its present condition—it is only a matter of a very short time before the industry actually closes down.

Now, Mr. Chairman, I wonder whether the people in this house realize what this will mean to Atlantic Canada and particularly to Newfoundland. At present in Newfoundland there are in excess of 2,500 people working in factories and 1,200 employed on the trawlers bringing the fish into these factories. During the heavy seasons in the summer which stretch from six to eight months there are 10,000 people employed in the factories and some 16,000 fishermen involved. All in all there are something like 26,000 people. With dependants and back-up service, this means at least a ratio of five to one. So that you can say that one Newfoundlander in every four would be pretty directly affected. It means that 25 per cent of the people in Newfoundland will feel the drastic effects of the shutting down of this industry. This must not be allowed to happen.

Under no circumstances must the people of Canada stand by and watch 26,000 people become unemployed, with so little required to actually keep them employed. This government must provide assistance because the market prospects for the balance of this year are not bright. I stress the urgency of this assistance. Very recently I was informed that Iceland had sold considerable quantities of fish at 21 cents per pound for cod blocks to the U.S. market, and this is at least four to five cents below the actual cost of Canadian producers.

Equally, Mr. Chairman, you cannot expect firms with parent companies elsewhere to keep pouring money into a bottomless pit unless they can see some light at the end of the tunnel.

The minister will not even tell us what we can expect at the end of March, and I think it is time for him as well as for the industry to come out with a plan and with some definite commitments as to where both are going. We cannot wait until the end of March. We must come up with a long term plan in order to stabilize the industry but, as I have said, while this plan is being created we must buy time in order that there be an industry left. As I have said, in the short term time has to be bought. It has to be bought in the form of

deficiency payments that have just been discontinued or of an equivalent scheme under a different name. The industry must be here when the long term plan is implemented. If this is not ensured, I suggest to the minister that at the end of March in lieu of a formula he will have to consider the establishment of a fish industry because most of the present one will not be in existence in eastern Canada.

Now I should like to deal with some recommended solutions as I see them. The problems in the Newfoundland industry could be solved by massive injections of money, but then so could just about everybody else's. This would not in itself be the answer. The federal government would be neglecting its responsibility and doing very little good if it did not insist that the fishing industry in Newfoundland first put its own house in order before this long term plan is implemented. This must be done but it cannot be done overnight. In the interim, money should and must be found to allow the Newfoundland fishing industry to buy time until it can become viable in its own right.

This morning the minister mentioned that he was looking forward to hearing solutions from this side of the house. I would suggest to the minister that we should be able to expect that he, with the staff of experts that surround him, should be able to come up with solutions. However, I will make a few suggestions of my own.

My first suggestion is an open auction system for the selling of fish products from the primary producer to the companies. Eastern Canada is one of the few places still left in the world where the open auction system is not in effect. Through the open auction system one ensures quality and one also ensures the highest possible price to fishermen.

Second, ideally one firm should be established to operate the industry. This is, of course, impractical. However, it should be accepted that as few firms as possible should continue to operate, and in my opinion their number should be kept as small as possible. This would involve the merging of the smaller firms as well as some of the larger ones. The remaining much larger firms could afford to employ professional management for administrative, accounting, technical marketing and sales positions. This would be an extremely bitter pill for most of the present owners to swallow, but it must be appreciated that it is more lucrative to own a small percentage of a healthy and viable concern than 100 per cent of a bankrupt one.

The third recommendation is that a commission be appointed to study under the terms of reference suggested in my recommendations as well as those of the department and to propose the most effective manner by which to implement them.

The fourth recommendation is that the provincial government cease immediately giving assistance on an ad hoc basis. However, this same authority must establish a policy whereby assistance is uniformly applicable on an industry-wide basis. This can readily apply to the present structure of the industry as well as to any future changes. In this regard I might stress that I mentioned here the provincial government which in the past has granted money at the whim of an individual rather than on a well planned basis, and I am not talking about the type of ad hoc philosophy which was in effect this year.

The fifth recommendation is that the provincial government refrain from lending money for the purpose of either the expansion of present company facilities or the establishment of new companies. This policy would remain in effect until some semblance of order has been restored to the present situation.

The sixth recommendation is that the federal and provincial authorities set up machinery whereby funds are made available to an improved industry structure for the following purposes:

Upgrading skills among inshore and deep sea fishermen and plant employees. This would include the cost of acquiring management consultants, work study personnel and training personnel.

Acquiring approved plant and fleet equipment geared exclusively to increasing productivity of existing facilities.

Partially compensating owners of uneconomic units that would have to be closed.

Providing initial financing regarding working capital.

The seventh recommendation is that the federal and provincial governments, each or both, contribute to a major campaign to promote the sale of Canadian fish in the U.S. market.

The eighth recommendation is that a study be made to check the feasibility of the federal authorities buying distressed stocks of Canadian fish at cost price. With all the above, this may have to be part of the

immediate solution to look after the purported excess of frozen fish amounting to 40 million pounds that will be in surplus in 1969.

• (3:30 p.m.)

The ninth recommendation is that the federal government arrange to take over the management of the fish resource on the continental shelf as quickly as possible. In other words, Mr. Chairman, the industry needs reorganization and refinancing. This government seems to be afraid to take unilateral action. Yet we see the government claiming the continental shelf, the bottom of the ocean floor, and claiming the air space from the top of the sea, up; but the water in between, where the fish are, seems to be beyond the jurisdiction of our federal government at this time. I strongly recommend to the government that this is possibly the most important step that could be taken at this time or in the future. It is stated that the fishing industry in eastern Canada is in dire trouble. The problems are many and large, and the solutions not easy. The situation can be set straight, but it will take bold and sometimes unpopular action, and it will have to be taken in a hurry.

Mr. McQuaid: I am sure that every member of this committee, Mr. Chairman, must regret the fact that we are more or less limited in the time we have at our disposal within which to comment on the estimates of the Department of Fisheries. I consider fisheries to be one of the great industries of Canada. It is certainly an industry upon which our economy in the Atlantic provinces is very heavily dependent. This is an industry in which the men who are engaged in it risk more, work harder and unfortunately get less than in any other trade or industry in which they could engage. If, as I believe, there has been, some slight increase in the standard of living of our fishermen, it is certainly one which they have very dearly earned and one to which they are very rightly entitled. I say therefore it is the responsibility of the Department of Fisheries to see that this industry and the fish resources of this country are developed and improved so that an even further improvement may be made in the living conditions, as well as the working conditions, of the many thousands of Canadians who make their living from the harvest of the sea.

Improved working conditions is an increasingly important aspect of every phase of living today. These proper working conditions are as important, perhaps even more important to the fishing industry than to any other industry. I realize the provision of adequate wharf facilities, boat harbours, shelters, dredging and matters of this kind are the responsibility of the Department of Public Works rather than the Department of Fisheries. I mention them at this time because of their very great importance to the fishing industry.

Without facilities of this kind, the men just cannot properly do their work, and the industry just will not prosper as it should. The fishermen will try their best but they will be working under very great disadvantages and under conditions which constitute a real hardship. Improved facilities are needed in many places within my own constituency. I am confident they must also be needed in many other areas throughout this country. The Department of Public Works must show a greater interest in these needs and must be made to realize that the success of the industry can be very largely dependent on how well that Department of Public Works does its job. It is most important, too, that this work be done only after prior consultation with the fishermen. They are the men who know best what has to be done.

It is true that they may not have the technical knowledge, but they have what is just as important, the practical knowledge. Engineers, for some reason or other, do not seem to understand where or how to place many of the things that need to be built for fishermen. In many cases they have erected structures or carried out dredging operations which were entirely unsuited to the local conditions. These things were done at great public expense but they did not adequately fill the need. In fact, in many cases they could be very accurately described as a complete waste of the taxpayers' money. I therefore say to these engineers that they should not be afraid to consult with the fishermen before embarking on major construction projects of this nature. They must not be afraid to follow the advice given to them by the fishermen. These fishermen have been working in the area all their lives and they have the practical experience which should prove very helpful.

While I am mentioning fishing facilities, I feel I must comment on the deletion from the estimates this year of an amount to assist in the construction of bait freezing and storing facilities. This item has been in our estimates for the past number of years. This year, for some reason or other, it has been deleted. I cannot think of anything which

could be of more assistance to our small boat, inshore fishermen than adequate deep freezing and fish storage facilities. At certain times of the year the securing of an adequate supply of bait becomes a real problem. Without bait our fishermen are just not able to operate. This bait cannot be brought in in large quantities and held for future use unless there are proper storage facilities located at the small fishing centres. Proper cold storage facilities for fresh fish are also necessary. This is particularly true in my own province of Prince Edward Island, where we have a serious transportation problem.

I suggest therefore to the minister that every effort should be made to encourage and give attention to this program of erecting bait storage facilities, and storage facilities for our fresh fish. This is something that must not be neglected. As I say, I regret that this particular item has been deleted from the estimates this year.

I should like to turn for just a few minutes to a problem facing our inshore fishermen. These inshore fishermen are the men who fish from small open boats; the men who go out in the morning and come back at night. I can assure you, Mr. Chairman, that they still make up a very important segment of our fishing industry. Many thousands of people are daily engaged in this branch of the fishing industry; many thousands of people are dependent for their livelihood on this mode of fishing. This is a branch of the industry which gives employment to many, many people, and it is one in which millions of dollars has been invested. It must be protected, and in particular it must be protected from destruction by trawlers which destroy the gear of these inshore fishermen. I only wish the Minister of Fisheries could talk to these inshore fishermen and listen to their complaints, their very legitimate complaints, about the destruction of gear resulting from the operation of trawlers. These trawlers drag inshore. They not only destroy gear but they also destroy the fishing grounds of the inshore fishermen.

• (3:40 p.m.)

These inshore fishermen, because of the size of their boats, are not able to proceed very far from shore, whereas the trawlers can go many, many miles. The grounds close to shore should therefore, in fact must, be conserved for the use of the inshore fishermen. They have had almost exclusive rights to these fishing grounds for many years, and the whole economy of the inshore fisheries has been based upon the supposition that the small boat fishermen will have the use of these grounds, that they should be reserved for them. Further, I suggest that those fishermen with larger boats who can go farther from shore to earn their living should be prohibited from dragging over the gear of inshore fishermen.

Many full-time fishermen who are dependent upon inshore fisheries for their livelihood are facing a real crisis today, and something must be done, and done immediately, to protect them. I for one strongly oppose the idea that they must be phased out of the industry. One suggestion that we hear now is that these small boat fishermen must gradually be phased out of the industry. For hundreds of these men there are no alternative occupational opportunities. They have been fishermen all their lives. They know of no other way of making a living, and I say that they must be protected.

Higher operating costs, and fixed costs in relation to volume and value of their landings have resulted in a very great loss of net earnings, and something must also be done, and done immediately, to correct this situation. Some of our inshore fishermen are netting less than $1,500 per year, and this certainly places them well below the poverty line.

Conservation is also a very important aspect of the fishing industry, though I know this is now receiving some considerable attention from the department. However, I find fault with the government—not necessarily with the present Minister of Fisheries, because he has not been in office long enough to do very much about this problem—for not drawing the base lines so that some limit will be established within which foreign trawlers cannot operate. There is absolutely no excuse, except the excuse of negligence, for the government's failure to establish these base lines long before this, thus protecting the Canadian fisheries. The government did not take very long to establish the base lines for offshore mineral rights; this was done very quickly. Why cannot base lines now be established for the fishing industry? The law has been on the statute books since 1964, yet nothing definite has been done to implement that law. As I say, I am not placing this matter at the doorstep of the present minister, but I hope that now he is Minister of Fisheries he will see that these base lines are established immediately.

That is one aspect of conservation. Many people believe, and believe wrongly, that the supply of fish in the sea or in the ocean is

inexhaustible. That is not the case. It has been incontestably proven, I think, that some of the most valuable coastal and ocean fisheries are susceptible to depletion because of over fishing. This is particularly true with respect to lobster fishing off the Atlantic coast.

I want to congratulate the department on its initiative in instituting a lobster trap limit in district 7B. This limit is presently fixed at 500 traps per boat and seems to be working out quite well. I believe fishermen are finding that their capital investment is very much less, and that they are making just as much money with considerably less expenditure. I would warn the minister however that this conservation measure, this trap limit, will not be entirely successful unless it continues to be accompanied by a corresponding restriction on the number of lobster fishing licences issued.

A program along these lines was tried last season, and though satisfactory to a point it was not entirely successful because of political interference with the decisions that were handed down by the board which had been set up to decide who should receive licences. This board, which was comprised of at least one departmental official and a number of men drawn from the fishing industry, tried to do a good job. They met and considered the applications which were placed before them, and then they rendered their decision.

However the regulations provide for an appeal to the minister from the decision of the board. I find no fault with this right of appeal; in fact I think it is a necessary precaution because there may very well be extenuating circumstances unknown to the board which, when made known to the minister, could cause him in all fairness to reverse the board's decision.

Last year, just about the time when the decisions of the board were being handed down, a federal election was called, and this was when the matter got entirely out of hand. May I inform this committee without fear of contradiction that political influence was used in some cases in granting licences to men whose applications had been refused by the board, and who in actual fact had no real right to a lobster fishing licence.

This is unfortunate. It is unfortunate for the present minister, because I do not know how in the world he will ever get that regulation back on the rails. Men who apply this year and who are turned down will, I am afraid, cite to the minister cases almost parallel with theirs where last year licences were granted. It is unfortunate, as I say, that this interference was allowed to take place. However, it did, and I certainly hope that the minister will not allow anything like that to influence him this year when appeals are directed to him.

It is also important that this board which hears these applications be set up immediately. It is not fair to keep these fishermen waiting until perhaps mid-April before they are told whether they are going to get a licence to fish. Applications should be heard just as quickly as possible and a decision rendered, so that men who plan on entering the industry may make the necessary preparations. In many cases these men who plan on entering the lobster fishing industry have to buy equipment, they have to buy boats and they have to buy other gear. Naturally they do not want to make this investment until they know for sure whether or not they are going to get a licence to fish. If, as was the case last year with some applications, these decisions are allowed to lag until the middle of April or even later, then this just does not give them time to get ready for the opening of the season.

There is one other phase of the industry with which I should like to deal briefly, and this is the Irish moss industry. The harvesting of Irish moss is rapidly becoming a very important industry on Canada's Atlantic coast. In the past 25 years the harvest of Irish moss has grown from about 1.5 million pounds worth $30,000 to last year's 79 million pounds worth over $2 million.

To give you an idea, Mr. Chairman, how valuable an industry this is, during one week in July of this year two families working in an area in my own province harvested moss worth $1,000 to each family. Several other families earned about $600 per family, and I have known as many as 20 boats to average as much as $40 each per day. This moss is harvested mostly by hand and is picked off the shore where it is tossed up by the storms. As a result of this method of harvesting, very little capital investment is necessary.

The moss is also raked sometimes from the rocks, and it is in connection with this operation of raking that I think some experimental work should be done by the Department of Fisheries, or by some other department of government, to make sure that the moss industry is conserved. There is a feeling among those who are engaged in the industry that this raking process may damage the roots

of the moss, and thereby interfere with its regrowth. I suggest that some experiments be carried out to see whether there is a real danger from this raking process and, if there is, that regulations be immediately introduced to see that the industry is not destroyed.

From this Irish moss comes a very valuable extract which is known as carrageen. Carrageen is in great demand and its value today is from $1.75 to $3 per pound. Its uses are almost limitless. In the food processing industry alone it is used by the makers of chocolate milk, minute breakfast foods, ice cream, pie fillings, confectionary, beer, desserts, salad dressings, flavourings, and a host of other foods. It has many other uses.

• (3:50 p.m.)

The important point for the department to note, Mr. Chairman, is that there is no plan in Canada for the extraction of carrageen from Irish moss. The dry moss which we harvest near our own shores has to be exported either to the United States or Denmark. The valuable byproduct carrageen is extracted from the moss and then shipped back to Canada to be used here. That is not as it should be.

It is estimated that a commercially profitable extraction plant could be supported by an annual supply of 16 million pounds of wet moss. Last year in the maritime provinces we harvested, as I said before, 79 million pounds of wet moss. Conceivably therefore we could have supported at least four, or possibly five, extraction plants in the maritime area. The substance could have been extracted right here and we could have been exporting it at anywhere from $1.75 to $3 a pound, rather than importing it after the moss had been exported to Denmark or the United States and the carrageen extracted there. I suggest that we could have here a very nice little industry in the maritime provinces, and I recommend it to the appropriate department of government for serious consideration.

Mr. Jamieson: Mr. Chairman, under normal circumstances I would not take the time of the house to comment on the estimates of a cabinet colleague. In this particular case however I feel I have some distinct and unique responsibilities and a particular interest, since I am the minister from Newfoundland. For that reason I ask this house, or this committee, to allow me some time to sketch at least some of the background to what has been, in my view, quite properly described as a crisis in the Newfoundland fishing industry.

I wish to compliment the speakers who have preceded me today, and I particularly wish to commend the hon. members for Shelburne-Yarmouth-Clare and Bonavista-Trinity-Conception for the moderate tones of their comments and the worth-while suggestions they have advanced. I will say at once that I am not disposed to disagree with them in their references to the long time neglect of the fishing industry.

Mr. Crouse: Mr. Chairman, I think the minister was mistaken when he referred to the hon. member for Shelburne-Yarmouth-Clare. I represent South Shore.

Mr. Jamieson: I beg your pardon. I ought to have referred to the hon. member for South Shore. They keep changing the names of constituencies and I find it hard to keep track of them all. In any event, I was saying that I would not disagree with the remarks of hon. members in their complaints about the traditional neglect of the fisheries. I think that is quite correct.

I do dispute the argument that this has been governmental neglect. I do not say that in the sense that either one party or another is responsible. It seems to me that one of the difficulties we have had in Canada for a long time is that there has been a lack of awareness on the part of the population generally of the importance of the fishery. There has been a failure on the part of information services of government and elsewhere to convey to the Canadian population the figures which were quoted this morning by the hon. member for South Shore as to the economic importance of this industry to our nation. So I have no cause to dispute what has been suggested here in that regard.

Looking back to the beginning of the fresh frozen fish industry, however, it is obvious that with notable exceptions there has been a very sizeable amount of government investment, both provincial and federal, in getting this industry going and actually creating it in the first place. I was looking today at some of the expenditures which have been made from time to time at both provincial and federal levels. It is quite surprising, for one who is not deeply involved in the industry, to see the extent to which government participation has created plants, contributed to their survival or has been the instrument for transferring the ownership of plants for the expenditure of as little as $1 or sometimes a few dollars more.

As the hon. member for Bonavista-Trinity-Conception said, there has been in the past a continuing series of *ad hoc* aid measures. He may be perfectly right that these were not of long term assistance to the industry. I agree with him that some of them were, at best, only partially successful, or ill advised. Yet I fear that the conditions which brought about that kind of aid as a general rule were almost precisely the kinds of conditions we are discussing here today, which once again are resulting in submissions that other kinds of *ad hoc* aid programs be introduced.

From the comments which have been made today it is interesting to note that we are all reasonably good theoreticians when it comes to outlining long range solutions for the fishing industry. We have had a number of representations about that; obviously the hon. member for Bonavista-Trinity-Conception has been an expert in this field and I was greatly impressed by the solutions he advanced. I subscribe to many of them. I agree that a number of them are rather controversial and would generate quite a bit of disagreement among his colleagues, who formerly spoke for the fishing industry.

If I may make a comment here, it is that one of the difficulties we face is that there is no unanimity within the fishing industry—at least, there has not been until very recently—as to what the solutions ought to be. I can tell hon. members here that within the past few weeks a considerable number of alternatives and programs have been advanced that might be used to help the fishing industry. I have had diametrically opposed views presented to me by various groups within the fishing industry. Only three weeks ago we were able to obtain for the first time, so far as I am aware, a submission with regard to the future of the industry which was representative of all Atlantic provinces. In the past, for instance, Newfoundland representatives have made certain suggestions to us when seeking certain kinds of aid; at the same time, for example, a Nova Scotian plan may have been advanced, and for very good reasons they have said, "These formulae are not the most suitable from our point of view and we prefer some other type of programs." Indeed, there have been occasions when delegations have been sent to fight the suggestions of one province or another. I say that because I wish to tell hon. members of what has been, quite literally, a day to day involvement on my part in this problem ever since July, or ever since I assumed my new responsibilities.

I was aware then, as I think all hon. members were who were interested in the fishing industry, that the federal government through the introduction of the deficiency program—and I am referring here exclusively to the fresh fish industry—had bailed the industry out for 1968. I think it is also a matter of record that it was made abundantly clear that, regardless of what the federal government wished to do, the trade was as aware as we were that this could not be an ongoing program. Indeed, there were certain dangers, which I think hon. members will be aware of and which I need not amplify, in carrying on with it at all for as long as we had. So, early in July I met with the Newfoundland fishing trade and at that time advised them that, of necessity, the program would have to end. I suggested to them in July that they ought to start work immediately on a complete presentation to the federal government, which would not only state problems but which would result in industry-wide thinking on how to come up with specific ideas as to how federal assistance might be applied to the industry. I emphasize that this was in July, because I cautioned those people against last minute kinds of activity. As hon. members know, it takes considerable time to work out a new approach and formula.

In August I met with these people again and repeated what I had said in July: that I would appreciate it if they could make suggestions to the government as to the form of assistance, rather than having the government devise something which, in the long run, it might not feel was most beneficial for their purposes.

• (4:00 p.m.)

In other words, what we were asked to do was to wait for this submission. This was again in the month of August. The submission finally came—and I can well understand why it took so long to produce it—on November 13, when my colleague, the Minister of Fisheries, and I met with the representatives of the Atlantic groundfish industry and received their brief. That was just over three weeks ago, so that we have simply had this short period in which to consider this report and to consider whether or not the proposals which are in it are workable or practicable.

Mr. McGrath: Would the minister permit a question?

Mr. Jamieson: I have a limited time but please go on.

Mr. McGrath: Has the minister seen the reply of the Minister of Fisheries to the fish trades association? Has he read it and does he agree with it?

Mr. Jamieson: If my hon. friend will let me continue I hope that in the course of my remarks I can answer that question. I am simply chronologically stating the nature of the negotiations and the meetings held. It is simply a matter of record that the submission of the fish trade arrived here on November 13. Incidentally prior to that the subsidy program, the so-called deficiency payment program, exhausted its funds a good month ahead of what had been expected, 30 days at least ahead of what the trade itself had expected, because of higher landings and more production. If there were time it would be interesting to speculate why production was higher, but the simple truth is that the fund ran out of money that much earlier.

We immediately introduced a supplementary amount to ensure that this deficiency payment program continued until the end of October, but I repeat that it was not possible to continue that program in that form beyond the end of October and, as I have said before, I know hon. members will know the reason why.

The situation developed as of November 13 with this comprehensive report being given to us containing recommendations which, by the trade's own admission—and any who were present at that time can confirm this fact—they did not feel were wholly suitable, but they said in effect, "This is the best we can come up with."

Now, one week afterwards, just a single week after that report was submitted, long before there was time to read it even in detail let alone act on it, one seasonal fish plant in Newfoundland closed, and the story circulated was that it had closed because of the withdrawal of, if one wishes to call it that, or the ending or cancellation of the so-called subsidy payment. In that particular case the subsidy was only a relatively small part of the reason for the closing of that plant. It was a seasonal operation and the amount of fish being received was limited. As the hon. member for Bonavista-Trinity-Conception will apprecaite, these were net fish in the water for several days due to stormy conditions, and the operator was in difficult circumstances with the plant anyway. I simply mention that to point out that there is also a normal kind of slowdown in fishing activity at this time of year.

[Mr. Jamieson.]

So the suggestion or the possibility that these plants will be obliged to close as a result of the minister's wire, or any statements he has made, is I recognize true in essence, and yet there are certain overtones of exaggeration about it. Let me deal first with the comments of the hon. member for Bonavista-Trinity-Conception with regard to the financial state of the plants in Newfoundland. It is quite correct, if one takes the homogeneous plants, those owned locally, that their financial straits are extremely difficult. Two of which I am aware are at the end of their line of credit so far as banks are concerned, and it is going to be literally impossible for them to continue without some kind of assistance.

On the other hand, as my hon. friend is well aware, there are plants in Newfoundland owned by large national and international companies, and with these it is not a matter of the companies themselves being distressed. Indeed were one to mention names such as B.C. Packers, Booth Fisheries, Unilever or whatever the name is, it is scarcely necessary to add that they do not have their backs to the wall in terms of national and international operations.

The question here is a difficult one relating to some of the recommendations made by the hon. member for Bonavista-Trinity-Conception as to whether or not in the long run it is wise for the Newfoundland ground fishing industry—and I have no personal knowledge of the Atlantic provinces other than Newfoundland—to have all its operations consolidated as part of very large corporate organizations, because a decision can be made in Chicago, or Vancouver, or indeed away down in the southern states, to close an operation in Newfoundland simply because one unit of a large organization is not profitable at any given moment.

I make this distinction because members should be aware of it—and I am sure Newfoundland members recognize this fact—that it is the home owned plants which have the immediate financial difficulty. The other plants can continue if they wish to do so, but there is no argument whatever about the fact that all plants, home owned, nationally and internationally owned, are losing money. So the question is, what is the alternative? This is the real crunch of this matter, because with the very comprehensive assessment made by the hon. member for Bonavista-Trinity-Conception most of the emphasis was on the whole, long range.

I quite agree that this is the way we should be thinking, but of course I add. as he does,

and as does everyone else, there is no point in diagnosing the patient to death without applying some form of interim remedial action. The difficulty we are up against, and this is why I suspect the Minister of Fisheries asked for suggestions, is what form this assistance should take. It is pointless to impose or introduce something which is regarded as assistance, which might in the end be as harmful to the industry as if nothing at all were done. Again I trust I do not have to draw pictures.

I explored certain points of view with the industry. I asked, "What would be the likely effects if you were able to get long term financing other than through the conventional banking system? Let us say, for example, the government or some agency of government was prepared to provide long term financing." Obviously the trade's answer was that it would not be beneficial at all, in so far as its present state of affairs is concerned, because it would not alter its profit picture. It would not narrow the gap between their operating costs and their income.

As I say, Mr. Chairman, we have explored these matters. I hope hon. members will appreciate that we are not totally unaware of the problems that exist. I then asked, "What would happen if there was some type of long-term loan to increase efficiency, to improve productivity? This is the kind of assistance aimed at getting your productivity up and your costs down." Here again the answer came back, "Of course it is desirable, but it won't help in the immediate case."

In other words, what the industry must have now is some form of direct infusion of dollars. I have to express it in that form because frankly I do not know how else to describe it. We have to get funds into the hands of the fish plant operators.

We have had a reasonably good year so far as those fishermen fishing for fresh fish plants are concerned, because the deficiency payments have kept their earnings up to the average of the last three years. But when it comes to the trawler type of operation, which will be the predominant operation for the next three or four months in Newfoundland, that formula is not very good. If we were to take the figures, analyse them out and apply the same kind of deficiency payment—even if we could do that—it is not the solution so far as the trawlers are concerned. There has been a suggestion that there might be some form of payment made based on the number of days that trawlers are at sea.

I am sure hon. members are familiar with the suggestion that payments should be made to the fish companies in terms of the losses which they obviously sustain on the operation of trawlers, but this is not something you can work out even three weeks after you get a report. This would be a very complex formula. There are questions to be asked. Does it apply only to trawler operations in respect to types of groundfish which are not profitable, because it must be remembered that there are some types of groundfish which are not as bad revenue producers as others, and some which are reasonably profitable. Secondly, does it apply to all catches for all purposes, or only to those quantities which are destined for export to the United States?

• (4:10 p.m.)

For instance, do we give some form of commitment that would apply to fresh or iced fish sold to the rest of Canada. Again, while there are difficulties involved here, they do not appear to be as extreme. Then there was the other suggestion concerning some plant help, based on the number of man-hours in the plant or some other related coefficient. Once again I suggest this is a profitable and worth-while area to explore, but is not something that can be done in a very short time. The attitude of the government is one of complete awareness of the difficulties, and I think a general disposition to help; but in the long run it really is a matter of finding a formula or solution.

Mr. Carter: Mr. Chairman, would the hon. member permit a question.

Mr. Jamieson: Of course.

Mr. Carter: Does he agree with the removal of the so-called band aid policies? I am referring to the salt rebate and the vessel deficiency payments. Does he agree that these policies should be abandoned until a long range policy has been adopted to help the fishermen?

Mr. Jamieson: Mr. Chairman, I must have done a poor job of communication, because obviously the hon. member has not understood me. In the first place, the salt subsidy is not part of what we are talking about. Of course I do not agree with its removal. I am talking about the deficiency payment, which I assume is what the hon. member has asked about. I am afraid we had no other alternative. As any knowledgeable gentleman opposite knows, there was no alternative but to remove that program and end it as of the end

of October. I am saying that we are trying to find an alternative which will achieve the desired result and which will not in effect result in some sort of policy or control that would eliminate the benefits of it. I suggest that this is the quandary in which we find ourselves at the present time. I do not mean that it is a quandary only so far as the government or those who have a direct interest in it are concerned; I say it is also a quandary to those involved in the trade. It is a general and serious problem and I hope a solution to it can be found rapidly.

Mr. Carter: May I ask another question?

Mr. Jamieson: I will accept another one, but I hope the time is being taken into account and will be allowed for.

Mr. Carter: I should like to return to my original question. Does the minister think it is sensible for the government to discontinue the deficiency payment until it has found the solution he is now suggesting?

Mr. Jamieson: I am afraid I will have to revert to what I said a moment ago. Of course it is not sensible at all in terms of purely internal Canadian national problems. It is probably the simplest way in which to continue this kind of aid. However if my hon. friend would consult with some of his colleagues I believe they would tell him why we could not continue the program. It was a question of this type of aid having to be of an interim and short term nature. October is the very latest it could have been kept on. If my hon. friend would like to discuss this with me later, I shall be glad to go into it in detail.

Mr. McGrath: Mr. Chairman, I wonder whether the minister would allow me to ask a question. I am sure the committee will make allowances for the time involved. What is the difference in the United States imposing a tariff which is closing down that market, and causing our whole groundfish industry to collapse?

Mr. Jamieson: I think that is a question which should more properly be directed, for example, to the fishing interests in the Atlantic provinces who themselves, with varying degrees of fear, have expressed this on many many occasions. I believe this was contained in a report that was submitted on November 13. I am quite sure this is the general reaction of the trade itself. I repeat that this is a situation in respect of which, in my estimation at least, the fishing industry has said they want another formula. There are hazards in the particular plan and they are worried about it. I say to my friends opposite, forgive me if I have not spelled this out as clearly as they wish, but I hope they have the message.

Mr. Lundrigan: Mr. Chairman, I apologize to the minister for asking him a question in the middle of his remarks. I do not like to do so. Several weeks ago in a community in Newfoundland the minister mentioned that the Liberals had superior intellectual ability and that the Conservatives were intellectually bankrupt. Would the minister say whether he offered any solutions to the trade. He mentioned for example that the trade made these recommendations that they could not be accepted, and so on. Only a few days ago the Prime Minister unilaterally made a decision and a statement in respect of offshore mineral rights.

Mr. Jamieson: Don't make your speech now.

Mr. Lundrigan: I won't. With a government that has this kind of intellectual ability I am sure there must have been suggestions made to the trade by the minister in respect of a solution to these problems. I am sure, in his remaining remarks, the minister would like to indicate what alternative plans were suggested to the trade.

Mr. Jamieson: I presume you are talking about what alternative plan I suggested to the trade.

Mr. Lundrigan: The minister mentioned the suggestions of the trade and indicated that he asked the trade to make recommendations to the government. I wonder what recommendations were made by the government to the trade concerning the solution the government posed for the remedy of the problem.

Mr. Jamieson: I do not believe they were cut and dried suggestions or solutions. We batted around a good many things, as some hon. members who were present know. The first was to ascertain how to support the income of inshore fishermen by providing direct infusion to the fisheries operation. I think there should be a formula for getting additional funds into the hands of the fishermen who are fishing for the plants.

At the present time, except for a small portion of the southwest corner of Burin-Burgeo there is not much inshore fishing going on. There could be, for example, the trawler plan, the plant worker plan or some

other alternative. Certainly I have been very strong on the matter of productive incentives. I was glad to have the support of the hon. member for Bonavista-Trinity-Conception on this; that is, that we would provide assistance in some way by industrial loans or in some other form to help them increase production. Two other suggestions were made which unfortunately are long range. One was that there might be a very strong promotional program in the United States to induce people to eat more fish. The matter of consumption is a key consideration. Then there is the matter of one desk selling for cod blocks. This I believe is also very important. Then there is the possibility of pooling trawler operations. Instead of each plant operating its own trawlers, there might be a co-operative trawler operation.

As my hon. friend will appreciate these things do not solve the problem we have here and now. This is why I have been endeavouring to find a formula that will give us, as a government, the ability to offer the kind of assistance which I readily agree is necessary. I heartily concur with those who say this ought not to be a partisan or a political issue. I understand that the representatives of the trade are meeting next week in Ottawa. I shall be very happy to arrange a meeting for them with anyone, in an effort to explore this further in order to see what kind of interim solution might be found. For myself I have no concern about the future of the fishing industry. I think there is a two or three year hurdle which we have to get over. I subscribe to the view of the Minister of Fisheries that it can be self-supporting in time. In the interim we have these problems. I suggest we are looking at every possible angle in order to achieve some kind of interim solution.

Mr. Marshall: Mr. Chairman, if we are looking for a short term solution I find it difficult to understand the situation in respect of the sale of the 4.4 million pounds of salt cod to Biafra, in which the suppliers received approximately $27.50 for the commodity while the fishermen ended up with an average of $12 or $13 for 100 pounds. How can we reconcile this variation and the fact that there was no thought for the inshore fishermen while the suppliers received good prices?

Mr. Jamieson: I believe I should ask my colleague the Minister of Fisheries to answer this question specifically. I am on the record as indicating that the situation which he has properly outlined reflects a very wide gap in the whole process of buying and marketing fish. My view is that this can be solved only by some sort of marketing effort. Perhaps the minister would be able to answer that question further.

Mr. Lundrigan: Mr. Chairman, may I ask another question—

The Chairman: Order, please. I should like to point out to the committee that I have on my unofficial list the names of eight hon. members who would like to speak this afternoon. If these questions are continued at this time it will interfere with this list. However, I certainly will recognize the hon. member.

Mr. Lundrigan: I believe the minister indicated he would take another question.

Mr. Jamieson: One more.

Mr. Lundrigan: I think perhaps for the record it would be wise if he could clarify the statement in respect of welcoming views from anyone about short term solutions. In that regard he really contradicted the minister, who said that we can forget about anything until March 31. This was contained in the telegram he sent to the fisheries people. I am sure that either the hon. member has not told us exactly what he wanted to tell us or he has intentionally avoided the issue in the hon. member's statement.

• (4:20 p.m.)

Mr. Jamieson: I do not think there is any suggestion of that kind, or any contradiction in respect of what was asked. As I understood the minister's reply—and of course he is perfectly capable of replying for himself—he was talking about the 1969 program. We are working on that. If you will remember, the program last year came into effect in May. I personally recognize the fact that there is a difficult situation in respect of the whole picture, and I certainly think the minister would be delighted if someone could come up with a formula which would solve this matter. I do not know what that formula is at this moment.

Mr. Carter: Yesterday in the house in the absence of the Minister of Fisheries my leader and several of my colleagues asked questions regarding the very serious situation developing in Newfoundland as a result of several of our fish plants being forced to close up shop, as it were, for economic reasons. This is seriously affecting directly and indirectly the livelihood of many thousands of my fellow Newfoundlanders. If these closures

are allowed to take place it will do away with the livelihood of these people. I was shocked and completely amazed by the total lack of interest, and the indifference displayed by the Prime Minister to this situation. Apparently he was completely lacking in interest toward this problem.

This situation affects almost 25 per cent of the population of Newfoundland. They are facing an economic disaster. I do not intend to be critical of the Minister of Fisheries, but yesterday he sat in his office rather than in this house, where he could answer the questions of hon. members. He was not present to discuss these problems because his name was not on the attendance roster for yesterday. This is a most shocking thing and almost beyond human comprehension.

This problem, as I said, affects 25 per cent of the population of a province of this nation. It is an urgent problem, yet the minister is unable, or at least not permitted, to be here in this chamber to answer these questions of extreme importance. This is a terrible situation. As an individual who became a Canadian 19 years ago—and as I have said in this house, I was very proud to be a Canadian—I must confess that I changed my mind slightly yesterday. I am wondering how interested this government is in the welfare of the people of Newfoundland. This is a direct result of the Prime Minister's action yesterday. Let me go a step further and refer to what was actually said in answer to my question. I asked whether the prime minister would consider setting aside one day to discuss this problem, affecting as it does 25 per cent of the population of my province. His answer was "ditto". Let me tell him now on behalf of 125,000 Newfoundlanders who will be affected by this crisis, "ditto" to him too.

I am afraid that word "ditto" will not mean too much to the fishermen of Newfoundland, come Christmas, when Santa Claus does not show up. That word will not fill their bellies, sir, in the month of January or the month of February. I hope the government will take some action, and will not allow these fish plants in Newfoundland to close, thereby affecting a quarter of our population. Let me repeat on behalf of the constituents of my riding, who will be affected by this crisis, and on behalf of the other Newfoundland people, "ditto" to the Prime Minister.

Mr. Bigg: He could not care less.

Mr. Carter: That is understandable.

An hon. Member: That's not fair.

[Mr. Carter.]

Mr. Bigg: He said that yesterday.

Mr. Carter: This government must realize that the fishing industry cannot cure its own ills. It has been pointed out before by other hon. members that Canadian fishermen are competing with foreign industry supported by foreign government subsidies. Serious problems now face the Newfoundland fishing industry, and it requires immediate financial assistance. I hope this government will adopt a policy to make the Canadian fishing industry economical. Let me remind hon. members what the Minister of Fisheries stated in a speech he delivered at the American commercial fish exposition in Boston in October. He stated that we must adopt a policy of making our fishing industry "pay its way". If that is the case we may as well throw in the sponge.

If this government insists on following that line I suggest that the heaviest and most serious charge the minister and his colleagues will have to answer for before history is that they permitted the human resources of my province and other Atlantic provinces to rot away. In my province there is more than a quarter of the population which derives a living, such as it is, from fishing. This government, as well as successive Liberal governments, has allowed this once great industry to die by inches without putting anything in its place except a few handouts. This government is guilty of forcing a once great and industrious people to accept soul destroying welfare.

• (4:30 p.m.)

While I am on the subject of welfare I feel compelled to set the record straight so far as my province is concerned. The idea is fairly current in the rest of Canada that our province is a poor relation, living on Ottawa's hand-outs. Such a complete distortion of the truth can only be the result of prevailing ignorance and prejudice concerning Newfoundland. The simple fact is that Newfoundland gets the second lowest rate of welfare payments from Ottawa of all Canadian provinces, and this is not because we are a small province. I am talking about the per capita rate; the payments to the provinces computed per head of population. Let this house and the government understand once and for all that Newfoundlanders do not want welfare they want jobs. They do not want charity; they want opportunities. Our fishermen do not want welfare; they want a chance to make a decent living from the fisheries. They do not want other Canadians to carry them; they want to pull their own weight.

The government's fishery policy, or I should say their lack of it, is just another indication that as a nation Canada is living off her fat, when she should be building muscle. In a country where regional disparity is a wasting disease, no province has suffered more from this chief cause of economic anaemia than Newfoundland. No people have suffered more than the Newfoundland fishermen.

I remind the house that during the election campaign the Prime Minister repeated again and again the solemn undertaking to give the people of the Atlantic region a Marshall plan for the development of that area. Now, after six months of stagnation, during which time we have seen the discontinuation of the salt rebate to our fisherman, the discontinuation of deficiency payments to our fresh frozen fish industry, the discontinuation of the winter works program, nothing could be clearer than that the Prime Minister's undertaking was nothing more than another phony slogan in a phony war against regional disparity.

In my opinion this is a grim and foreboding prospect for the people of Atlantic Canada, especially the fishermen of my province. These people see disparity widening, opportunities decreasing, services in danger of being curtailed, population eroding, problems multiplying, provincial and municipal finances strained to the limit, taxes increasing, and a federal government that at least in its first six months of office has been utterly indifferent to the problems.

Before I close, Mr. Chairman, I should refer to the policy of the federal government and the provincial government of Newfoundland respecting centralization in my province. There is in my riding a situation, and I am sure I am not alone in this respect, wherein a large number of people were encouraged to move from their former homes to designated resettlement areas. In the town of Placentia in my riding there are in excess of 100 families who were encouraged by this government, and indeed paid by it to some extent, to relocate in Placentia. While I do not entirely disagree with the principle of centralization, I charge this government with destroying a way of life for a large number of Newfoundland people.

I had the pleasure of attending a meeting in Placentia a few weeks ago. At that meeting were some of the people who were relocated from the various islands. It was the most shocking and terrible experience I have ever had. These people took pride in the fact that they were independent, industrious, had their own homes and fishing stages, boats and nets. They were moved by the federal government and the provincial government of Newfoundland to an area where they have nothing whatever, where there are absolutely no facilities from which these fishermen can operate. These men left areas where, as I said before, they were reasonably well off. I admit there were a great many disadvantages in those areas. However these people were moved to an area which is in many cases completely unsuitable for fishing. These people, who were once proud, independent, industrious and hardworking Newfoundlanders are now forced to line up, as it were, at the welfare office to receive, as I have said, this soul-destroying means of keeping body and soul together.

Mr. McGrath: Join the just society!

Mr. Carter: If this is the just society, Mr. Chairman, I contend it is one society we can very well do without.

Some hon. Members: Hear, hear.

Mr. Carter: This government is responsible for destroying a whole way of life for a large number of Newfoundland people. I want to qualify that and make it clear that I do not disagree with the principle of centralization. But I think that before you start to move people from an area, provision should be made to receive them in other settlements, rather than just waving a cheque in front of their eyes and encouraging them to move to an area that is certainly inadequate and unprepared for them. This is a terrible injustice and is certainly not in keeping with the Prime Minister's promise and philosophy, of an end to regional disparity and a just society for all.

Before I resume my seat, Mr. Chairman, I would like to refer to a few problems that exist in my riding. I was quite amazed and concerned when we had the debate the other day and learned that one hon. member—I forget his riding—said on television that he can go to the Liberal caucus and up to a point can threaten the civil service and the ministers to give him what he wants. I would like to get his formula, because I have been a complete flop when it comes to getting things from the government.

Mr. Mahoney: Come over here.

Some hon. Members: Oh, oh.

Mr. Carter: Mr. Chairman, the trained seals can bang their desks, but to the people for whom I have tried to get these things it is no joke.

• (4:40 p.m.)

I have made numerous representations to various ministers to get certain things for my riding. I made a representation to the Minister of Public Works through the Minister of Fisheries for the provision of certain facilities in the small town of Peter's River in St. John's West. This was meant to assist the fishermen in a settlement called St. Vincent's, in St. Mary's bay. St. Vincent's is completely exposed to the Atlantic and it has no facilities for tying up or docking boats. Fishermen come in there and have to pitchfork their fish from the boat to the beach and then, with the help of a couple of young fellows or older people, they have to pitchfork the fish from the beach to the stage. When I asked that facilities be provided to eliminate this problem I was told by the Minister of Public Works that this would cost $66,000. I find it extremely difficult to reconcile the minister's refusal when it has been rumoured and indeed stated that as much as $50,000 has been spent on furnishing the office of one of the ministers in this government. How can I go back to the people of that area, whose livelihood is completely dependent on the fisheries, and tell them that we cannot get this facility provided because the government feels that the expenditure is not justified, while at the same time we learn that $50,000 can be spent to furnish a minister's office?

Mr. Drury: Which one?

Mr. Carter: I am sure the minister is as aware of which one as I am.

Mr. Knowles (Winnipeg North Centre): Did they not do it for you, Bud?

Mr. Carter: I support the remarks made by my colleagues on this side of the house when they said that a very serious situation is developing in Newfoundland at the present time. If it is allowed to develop and to come to a head it will have dire and drastic effects on the lives of at least a quarter of the population of Newfoundland. I feel that this government and the minister, for whom I have much respect, should make an announcement very shortly to the effect that assistance will be forthcoming so that these companies, which are now threatening to close their doors and thereby throw out of work 2,500 plant workers, plus 1,200 trawlermen, will be able to see their way clear to stay in business and to continue contributing to the economy of Newfoundland. This is what I ask. I hope that the minister and the government will see fit within the next few hours to make an announcement to this effect.

Mr. Durante: Mr. Chairman, I was a little reluctant to rise because I thought this was the day set aside for a discussion of the Newfoundland fisheries. I think hon. members opposite should realize that Canadian fisheries are not only to be found in Newfoundland. I should also like to point out that, in my opinion at least, many Canadians are not aware of the value of the Canadian commercial fisheries, both freshwater and saltwater, to the Canadian economy. I should like to cite some statistics in this regard. Canadian commercial fisheries employ in excess of 70,000 fishermen and some 15,000 other people involved in fish processing plants. I should like to quote figures relating to the 1967 catch. During that year two and a half billion pounds valued at $161.5 million was caught. The process value of this catch was $325 million. Canada is second only to Japan among the fish exporting nations of the world. It exports approximately 70 per cent of fish production and 60 per cent of its exports go to the United States, with the remainder to Britain and other nations. These statistics indicate how important the commercial fishery is to the Canadian economy. I was pleased to hear the Minister of Fisheries mention this morning that the 1968 catch, to date, is up by 10 per cent and that fishermen's earnings this year are up by 12 per cent. With all due respect to the Newfoundland representatives I should like to devote my remarks to the west coast fishery.

The total catch in British Columbia for 1967 was 332 million pounds with a total value of $49 million. Salmon, which is the chief catch in B.C., brought a gross revenue of $36 million, well over 50 per cent of the total. These statistics in turn indicate the importance in value of the west coast fisheries in relation to the total Canadian fisheries.

One of the first things that our present Minister of Fisheries did—and I think it is something for which he should be commended and applauded—was to announce licence limitations legislation which is to go into

effect in 1969. I should like to quote the following from an editorial which appeared in one of the west coast newspapers:

> It takes considerable political courage for a cabinet minister to stride into the middle of a complex and artificially structured industry and arbitrarily establish rules that will reshape that industry's future.

Our fisheries minister has done just that by making his decision to limit the number of boats in the B.C. salmon fishing industry. For this he should be commended and applauded. With regard to that quotation I may say that I take exception to the word "arbitrarily" as a description of how our minister made his decision with regard to licence limitations, because government studies such as Dr. Sinclair's royal commission of eight years ago, and briefs from both fishermen's organizations and industry groups, have recommended and suggested some type of licence limitations.

As I see it, licence limitations will not be the panacea to the problems of the west coast fisheries because I firmly believe there is no panacea to any problems. I feel however that some hon. members opposite think that all you need do is wave a wand and there will be a resolution of any problem you wish to present them with. There are however some distinct advantages to licence limitations. First of all it removes the casual fishermen or the moonlighters as they have been referred to this afternoon. I think it is a step in the right direction. Second, productivity in the fishery has been decreasing at an alarming rate in recent years. It has been costing far more money to catch the same number of fish. As a result of licence limitations I feel that the efficiency of a reduced fleet should improve our productivity. I believe that conservation should be enhanced and fishermen's earnings be increased. I think that boat values will certainly be increased, and as a result of all these advantages I hope that in time lower consumer prices will result.

There are, however, some disadvantages to licence limitations which have already been drawn to the minister's attention. One of them is the loss of vessels at sea. I understand that an appeal board has been established to which anyone who loses his vessel at sea can make an application. I am personally concerned about the fact that there is a real possibility that the companies will take control of salmon fishing vessels on the west coast. I am confident that our minister is aware of this likelihood and that he will guard against it carefully. There are those who would have advocated licensing fishermen rather than vessels. Naturally, the unions take this view because they would like to take control. I agree with the present move to license vessels, but I think we should be aware of the danger of the companies taking control. I ask that our minister keep a very close eye on this possibility, as I am sure he will.

• (4:50 p.m.)

I should like to say a few words about our first Canadian fishermen, the Indians. I believe there is an awareness of the need to assist our Indian fishermen. I applaud the development of the Indian Fishermen's Development Board by the Department of Fisheries, in conjunction with the Department of Indian Affairs and Northern Development. This is a five man board to administer loans and grants to be paid to the Indians of British Columbia for the construction and purchase of fishing vessels, equipment, gear and other related facilities, as well as providing a fisheries training course. This program involves an expenditure of $4.6 million to be spread over a five year period. Also in this regard, the new vessels built for ownership and operation by the Indians under the Indian fishermen's assistance program are exempt from the licensing limitation. I certainly believe this merits commendation.

Licence limitation is to be implemented, as I have already mentioned, because productivity has been going down and because, as our minister stated, there have been too many boats and too much gear chasing too few fish. The "few fish" in my opinion is the key, and conservation is the answer. In this regard, the legislation enacted in 1964 to establish the 12 mile limit would be of some help. A 12 mile limit with a base line drawn from headland to headland would be of even greater help. I urge our minister actively to undertake the establishment of this base line, and the 12 mile limit on the west coast, as soon as possible. As a matter of fact, of even more help would be a continental shelf limit. Foreign vessels are fishing just outside our 12 mile limit. These are large vessels, in excess of 200 feet in length, with factory and processing ships. They are dragging our ocean floor and nothing is returned; all that is seen is a puff of white smoke emitted from the stack on the stern of these ships.

Unfortunately our salmon and other species of fish do not recognize the 12 mile limit. I think the Department of Fisheries is to be commended for the research work it is doing,

and for its foresight in establishing artificial and controlled flow spawning channels. The $10 million Babine project is a classic example of the work being conducted toward increasing salmon runs. The only way we can increase income and production per fishing unit is through licence limitation, which is a long term project, and by increasing or restoring the size of the salmon stock. As I have suggested, the project now being carried out should increase the sockeye and pink salmon runs extensively in the next few years.

However, the situation with regard to the cohoe and spring salmon stock is not nearly so rosy; in fact it is unsatisfactory. In this regard, possibly we had better take a lesson from our neighbour to the south, who has greatly increased his stock by the hatchery method, in spite of the many difficulties that have had to be overcome. I refer to such obstacles as dams, pollution and a limited number of suitable rivers. None of these obstacles confronts us, except possibly pollution, and even that is present to a lesser degree. Although we have no dams to contend with yet, and an unlimited number of suitable rivers, cohoe and spring salmon stock is decreasing at an alarming rate, and for two basic reasons. The first is the heavy fishing pressure and the second is the damage caused to our natural spawning streams and watershed areas by indiscriminate logging practices. Our natural spawning channels are still, and heaven forbid it should ever be otherwise, the best areas for salmon stocks. It would seem therefore that the preservation of these stocks through the preservation of our natural spawning channels should receive top priority from our Department of Fisheries. On the west coast I have seen, and I continue to get reports about, the damage caused to these spawning beds and watershed areas by logging operators of both small and large magnitude. The necessary legislation exists to prohibit such conduct. I therefore urge that this legislation be enforced—and that it be rigidly enforced.

In so far as salmon rehabilitation is concerned, I would recommend that the Department of Fisheries conduct a survey of all the streams on the west coast suitable for the introduction of spawning channels. May I offer for special consideration the Kennedy lake system of Vancouver island?

I keep referring to this problem of pollution. I have referred to it this afternoon because I am quite convinced our rivers, streams and lakes are being polluted at an alarming rate. I am convinced also that if any department has some authority over the prevention of this condition it is the Department of Fisheries. I urge that legislation to prevent the pollution of rivers, streams and lakes be introduced as soon as possible. Earlier I made reference to the fact the Canadian commercial fishery had contributed to the Canadian economy. I should like now to make a reference to the sports fishery, whose value to our economy is inestimable. Certainly, there is no—

[Mr. Durante.]

The Chairman: Order, please.

Mr. Knowles (Winnipeg North Centre): Before Your Honour sees the clock, may I make a suggestion? I believe that if we do proceed to private members hour the bill to be debated would be one of mine. I am anxious to get a chance to debate it, but I believe this is the last full day we will have on these estimates, and there is a desire to continue a discussion of the fisheries estimates. I would be willing therefore that you not see the clock. But I hope that some time during the hour you will see the hon. member for Surrey.

The Chairman: I believe the procedure we should follow is for the committee to rise and report progress, then, any hon. member may make a suggestion along the lines suggested. If there is unanimous consent we can revert to the committee of supply.

Progress reported.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I now say "ditto" to what I said a few minutes ago?

• (5:00 p.m.)

Mr. Deputy Speaker: Is it agreed?

Mr. Crouse: Mr. Speaker, speaking on behalf of the official opposition may I say we welcome this opportunity to continue with the debate. I should like to thank the hon. member for Winnipeg North Centre for waiving private members hour. I would concur with his suggestion that the Chair should recognize the next speaker as being the hon. member for Surrey, even though there are a few more of our members who are anxious to participate in the debate between now and six o'clock.

Mr. Deputy Speaker: Order, please; the hon. member for St. Paul's.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

FOURTH REPORT OF STANDING COMMITTEE

Mr. Ian Wahn (St. Paul's): May I have consent to revert to routine proceedings for the purpose of presenting a report of the external affairs committee?

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Wahn: I have the honour to present the fourth report of the standing committee on external affairs and national defence.

SUPPLY

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

DEPARTMENT OF FISHERIES AND FORESTRY

1. Departmental administration, including grants and contributions as detailed in the estimates, $3,509,175.

The Chairman: Order. The House in committee of supply, estimates of the Department of Fisheries and Forestry.

Mr. Durante: Mr. Chairman, if I may be allowed a few minutes more, I was making reference to the value of the sports fishery to the Canadian economy. I indicated that it was of inestimable value, that there was no way a price tag could be placed on its value. I should like to speak of my own personal experience. My sports fishing exploits have varied from very successful, on the one hand, to dismal failure on the other. Consequently the cost to me per pound of sports fish caught has also varied, and on occasion has run as high as $50 per pound. This is not meant in criticism of our sports fishery but indicates rather my inability as a sports fisherman.

However, my point is that this is a very valuable industry. In our changing society I feel that we are going to be faced with much more leisure time, and I know there are many people who enjoy sports fishing during their leisure time. I should like to urge that serious consideration be given to the possibility of instituting salt water sports fishing licensing. I am convinced that this would meet with approval, provided the revenues derived therefrom could be returned to the sports fishery in the form of artificial spawning channels or controlled flow channels.

Mr. Mather: Mr. Chairman, I thank you for seeing me. Like the minister, I too come from the west coast of Canada, and I am particularly interested in having an opportunity to take some part in the discussion of these estimates.

I should like to say at the outset that although I am a member of the fisheries committee of this house and am not entirely ignorant of the troubles and difficulties faced by the fishing industry and fishermen in the Atlantic and maritime areas, aside from saying that I and my party fully support the representations that members from that area have made so well today, I intend to devote my remarks more to a discussion of the problems of the fishing industry on the west coast.

The appointment of the present minister a few months ago was welcomed by many people in the industry in British Columbia. On the one hand, I think it was felt that coming from British Columbia he would be more conversant than his two immediate predecessors with the problems that we have in that industry on the west coast. Or if I may put it in this way, they felt that at least he could not be less conversant than they were. Therefore the minister took office with some support on the part of the industry.

I believe the minister should be congratulated upon the speed and energy with which he has taken up his position and got down to business. It is not for his lack of speed that some parts of the industry and hon. members here are criticizing him; it is for the decisions this speed has brought him to.

I will deal with one particular aspect of his major decision to date, but before I do so I want to outline very briefly some of the problems that were left over to this minister by the two previous administrations of both old line parties. Among these were the need for a licence limitation program; the need for the declaration of headland to headland base lines so as to give reality to the 12-mile fishing limit for Canadians; the need for resolute action to bring all these countries that fish the north Pacific into a new fisheries treaty; and the need for the development of offshore fisheries for Canadian vessels and fishermen in the Pacific. I add to that list one other need which has grown more apparent during recent years, and that is the need to combat pollution in the fishing rivers of the province.

The minister has made a start by tackling at once the issue of licence limitation. This is a move that was long overdue. To quote the Vancouver *Sun*, a basic problem has been—as other hon. members have said earlier—"too

many fishermen and too many boats chasing too few fish and too little money".

British Columbia fishermen have been asking for a program of licence limitation for the past 25 years. It is eight years since Dr. Sinclair, the royal commissioner who dealt with this problem, made some specific recommendations. So that I think in taking up this issue the minister should be commended.

However, the ministers' method of dealing with the situation has been to propose the licensing of boats so as to limit the number of boats fishing. In the opinion of the fishermen, as represented by their union, this will put the whole industry further under the domination of the large fishing companies, many of whom are foreign owned.

On this particular point I can do no better, to illustrate the difference in the points of view of the government and the fishermen in British Columbia, than to quote from the union paper which carried an article dealing with the two methods involved—the government's proposal and the proposal of the union. According to *The Fisherman* for September 13, 1968:

> Under the union's scheme, the licence would be issued to the fisherman, to be retained only as long as he could show he was obtaining a set proportion of his annual earnings from fishing. Since it would be non-transferable, it would have no financial value in itself. Upon the fisherman's leaving the industry, for whatever reason, it would be surrendered. The fisherman could sell his boat and gear at market price and his place would be taken by the next on the waiting list of applicants.
>
> Under the government's scheme, the licence is to be issued to the boat—either an A vessel that can be replaced by a new boat or a B vessel that cannot be replaced. Even announcement of the scheme has had the effect of inflating the price of vessels that qualify for a licence.
>
> As the union has pointed out, the fact that the companies finance the majority of boats places them in a position to dictate which fishermen shall or shall not have the right to fish.

In the fisheries committee of this house various members of all parties have discussed this particular matter with the minister. The committee wishes to go to British Columbia and meet the fishermen and other interested parties in the industry, particularly to discuss the issue that is involved in this type of licence limitation. We wish to get the advice of the industry, and we want to get it before the plan really comes into effect. I think this is the only wise course to pursue. Either we go there as a committee and meet with the fishermen, or they should make strong representations to the fisheries committee on this particular point about the type of licence limitation involved. I make that recommendation to the minister.

[Mr. Mather.]

• (5:10 p.m.)

Another matter I want to touch on is the 12-mile fishing limit. I was very glad to hear the minister say in committee the other day that he intends at an early date to move to implement the components of the 12-mile fishing legislation having to do with headlands. The entire matter has been pending for years. All this time fishermen from other lands have been able to fish Canadian fishing resources. In the north Pacific we have only gone though the motions of passing the 12-mile fishing limit laws. I think that we ought to put the law into operation and so safeguard a major industry.

I, with other hon. members on a committee, recently went to Peru, where they have a major fishing industry. Though that country is relatively small when compared with Canada, it enforces rigorously a fishing limit that extends either 200 or 250 miles from its coast. Surely Canada can do what Peru has done, spell out clearly what are our own fishing borders and enforce those borders.

My next point will interest the minister, since as well as being responsible for fisheries he also has an interest in forestry. In fact, I have heard the minister described as the minister of fish and chips—the minister responsible for fish and wood. The other day in the fisheries committee he said that he would take up immediately with the provincial forestry authorities of British Columbia the question of pollution of the Stellako river—a pollution which enrages conservationists and fishermen—by logging operations. The former minister of fisheries attempted to remonstrate with the authorities, but I do not think he got very far with them. Since our present minister comes from British Columbia, he may be more successful than the previous minister in making his views prevail. In any event, he knows how urgent it is to stop the pollution of the Stellako river by lumber runs. I expect the minister knows what has been happening in the area.

As other hon. members noted, not only is it important to harvest fish but it is also important to sell that harvest. Not long ago I sent the minister a letter suggesting that whenever possible in promotional campaigns the word "fish" ought to be dropped, and that sea foods ought to be referred to by their generic names. I said:

> Having in mind that this is "buy-more-fish-month", I would like to make a suggestion as to how more people might buy more fish.

I suggest that the word "fish" be avoided.

"Fish" has a fishy sound. It is a word, fortunately, which does nothing to promote a desire to eat fish. I do not claim that this is a rational situation. I know it is a fact.

Would your department, i.e. the officials concerned in the promotion of fish sales, consider doing what they can to get the industry away from the word "fish" and to use, instead, such descriptions as ... "B.C. salmon steaks" ... "goldeye" ... "maritime lobster" ... "Arctic char" ... ?

I asked the minister to bring my suggestion to the attention of his officials and offered to buy him a B.C. salmon steak dinner if some of them did not agree it was a good idea. I have not had to buy that dinner yet, and I take this chance to remind him of my suggestion.

In conclusion, it is my view and the view of my party that, with regard to the question of the Pacific Coast fishing industry, there should be immediate consultations between our fisheries committee and the British Columbia fishing industry on the 12-mile limit proposals. Those consultations should also be between governments and unions. Second, within the next few months, or as early as possible, the government should implement the components of the 12-mile fishing limit that have to do with headlands. The limit at least should be from headland to headland. Third, there ought to be a stepped up and continuing effort to bring the British Columbia department of forestry into line, in order to combat river pollution and to conserve our fishing resources in the area. Also I support, as do the members of my party, the positions of hon. members from the maritimes who have brought to the attention of the government problems of their areas with regard to fishing.

[*Translation*]

Mr. Breau: Mr. Chairman, I am pleased to participate in the debate on the estimates of the Department of Fisheries.

As a representative of the Gloucester riding it is normal, I think, that I should be interested in fisheries, because the fishing industry plays a very important part in the economy of northeastern New Brunswick.

I should like, with the same enthusiasm shown by my colleagues opposite, to call the attention of the hon. minister to the problems concerning markets and prices of ground fish. Several fishermen in my area find themselves in the same situation as those in Newfoundland, but contrary to the stand taken by the representatives of these people, I do not necessarily blame the government for the present situation of the fish market. In any industry, it is important to have a good market, a good support price and a well-managed industry.

All the fish caught in Canada today cannot be sold here. Therefore, we have to depend mainly on American markets and, for reasons that hon. members know as well as I do, because they were mentioned this afternoon, the American market has not been very good in the last few years.

The minister said this morning that in eastern Canada crab fishing is becoming more and more popular, especially in the gulf of St. Lawrence. That situation is of great interest to the fishermen in my riding because several of them this year—they started last year and are getting ready for next year—began to convert their boats from ground fishing to crab fishing.

It might be a good idea to point out—and it is encouraging—that it is not very expensive to convert those boats. Therefore, I hope that the fishermen in my region will take up that kind of fishing instead, because the market is good for the time being.

We must remember that when an industry pays a little more or a little less, it does not necessarily incumbent on the government to seek markets and find solutions. The members of the industry—in this case the fishermen—must do their share by altering somewhat their fishing methods and, especially, the type of fishing.

I feel it is imperative for the honourable Minister of Fisheries (Mr. Davis) to see to it that there is co-ordination between the incentive programs of the federal government and the provincial governments with regard to crab processing plants. If the industries are not controlled, if incentives are given to all those who want them, if government aid is offered to too many fishermen, it will be very difficult to control a certain production and we will then have surplus goods which may lead to lower prices and other economic effects.

I should also like to mention that fishing as a sport is very important in my area. We have beautiful rivers like the Tracadie river, for instance, the Pokemouche river, which are most popular for trout and salmon fishing, although they are not publicized enough. I feel that the Department of Fisheries should do something to better acquaint the public with the tourist attraction of that area. In addition to restocking the rivers with small salmon and trout, the people should

also be educated to make them understand more fully the importance of that industry.

• (5:20 p.m.)

Above all, I would like to deal with the protection of the rivers. Some people shirk the responsibilities too easily, saying that it is fairly easy to protect or control salmon and trout fishing to an extent of about 75 per cent. Beyond that, what is needed is more human capital, more money and, obviously, the co-operation of the people, especially the people who live in the areas which could become sport centres.

For example, in the province of New Brunswick, it is estimated that salmon fishing brings in approximately $10 million. In fact, I can give the example of little villages in my region, such as Tabusintac—which hon. members may know—with a population of around 700 or 800 people living exclusively on the tourist trade, that is, from the money spent by Americans or Canadians who go there to fish salmon, build a cottage and, consequently, have to hire people.

People realized, in those places, that, instead of making an immediate profit by destroying the fish, particularly in an illegal way, they should protect their rivers in order to derive a greater income from them.

I should now like to assure the hon. Minister of Fisheries that I am ready to support the long term measures taken by the federal government in order to solve the problems of the fishing industry rather than the short term programs.

In my opinion, we have tried far too long already, not only with regard to fisheries but in other fields as well, to find solutions to problems which would give immediate results instead of making long range plans.

I think that, at the present time, the fishing industry in eastern Canada and in Newfoundland or Nova Scotia faces a dilemna. In fact, when there is no market, we cannot expect that government action will necessarily solve the problem. I think that this problem requires a serious study and I hope that the government program will be realistic and will give some assurance to the fishermen who wish for technicological progress and large investments in the fishing industry.

Small fishermen must be told whether or not they will be able to carry on their fishing operations. I think that, because of these short term solutions, government assistance has been inefficient. Assistance was perhaps provided for a month or two, even perhaps for a year, but a guaranteed market for the fishing industry was not developed and this is what matters. When we have an important market which will yield high returns, the fishing industry will be viable.

Mr. Chairman, I have dealt briefly with the inshore fishermen of my area. Several are in a bad fix. They cannot improve their lot, on account of their lack of knowledge or investments. They cannot own big ships or practise offshore fishing. They want to remain small fishermen. I think that this problem should be considered separately from the fishing industry in general. Instead of providing social welfare, I think that it would be advisable for the Department of Fisheries or the government to study the problem of the inshore fisherman in another context.

[*English*]

Mr. Marshall: Mr. Chairman, I would first like to apologize to the hon. member for Comox-Alberni, if he thought that the Newfoundland members were trying to take up all the time of the committee. This is not our intention, and I can assure him that if he is concerned with problems on the west coast we will support him. I would also like to thank the hon. member for Surrey for his kind words and support.

I rise, Mr. Chairman, to join with my colleagues in attempting to emphasize the critical situation which exists in the Atlantic region regarding the fishing industry. I do not intend to repeat the technological implications or to quote statistics. These were very ably offered by previous speakers.

What I would like to do is to try with sincerity and respect to point out the human problems which exist among the fishermen population of my province, and which will result from the present crisis, because of mismanagement, apathy, neglect and a lack of a common sense approach to an industry which could be prospering today, but instead is disappearing.

With each passing day as I sit in the House of Commons, the more frustrated and disillusioned I become at the lack of sincerity that is so evident on the part of government with regard to the problems of the country. What amazes me is how a group of individuals, who are supposed to be the ones most capable of solving our problems, are instead compounding them. I fail to understand how a government, with supposedly the most capable brains in the country at its command, cannot provide the leadership required to

operate successfully the most fundamental business of buying and selling fish.

Some 25 years ago the fishing industry was a comparatively prosperous one in Newfoundland, an industry second only to the pulp and paper industry. With each passing year since then, instead of keeping pace with competition and modern methods, instead of giving management leadership to keep pace with competition, instead of on-the-spot training to ensure quality control, instead of creating markets, government has turned its back on the fishermen of the Atlantic region and has allowed the industry to reach its present depressed proportions.

In 1963 the then Liberal prime minister promised in an election speech that a new Liberal government would co-operate with Newfoundland, where fishing is such an important industry. Mr. Pearson said:

> We shall work out a program for fishery development based on the principle that the government of Canada should parallel action already taken for agriculture with action to develop the fisheries.

That was written five years ago, Mr. Chairman.

• (5:30 p.m.)

What a fishy story that turned out to be! If we were to ask the fishermen what action has been taken by the two Liberal governments, provincial and federal, to assist them, I suggest the answer would be, "None". The most amazing thing to me, and something I cannot understand, is how one can get the attention of the government in respect of an emergency that is real. Since the opening of the house we have been endeavouring to point out the seriousness of the typical position of the fishing industry in our province, and the needs for assistance. The Newfoundland members met with the Minister of Fisheries two months ago. They have been in touch with him or his staff almost daily since then. I should like to say here that the Minister of Fisheries and the members of his staff have been most co-operative in providing me with honest and sincere answers, although no solutions. I am sure the minister realizes the seriousness of the situation. I can only assume that not only did he take over a mess created by his predecessors, but that he is being thwarted in his efforts by his superior, whoever he might be—and I use the singular intentionally.

We have a very serious problem on our hands, which will become a national emergency, indeed if it is not one already. This emergency has been delayed only by a strange turn of events in the world situation. I wonder whether we realize this and whether the government realizes it has avoided the collapse of an industry affecting some 100,000 people, either directly or indirectly, only because of some ten million pounds of dried cod being provided to the starving people in a certain country? I might ask whether this should be the criteria for the future of the fishing industry? What will happen next year? I might also ask what will happen while the government is still looking for a long range plan? What about the next three months; what about right now? Why do we preach restraint in spending on the one hand and the waste of millions on the other? How can the government justify saving $350 thousand on salt subsidies and yet be prepared to spend that much on a by-election, due to the whims and fancies of one individual? How can the government justify the cutting off of deficiency payments to the fishing industry and waste millions of dollars on arts, cultural centres and fancy furniture?

Then, Mr. Chairman, what about foreign aid? Let us give foreign aid to needy countries, but let us not be blind to our own needs.

The district which I represent stretches along a coastline of some 300 miles. It consists of some 100 communities whose main occupation is fishing. The citizens of these communities are a sturdy, honest and industrious people. They are a reliable and conscientious group of Canadians. They have a native intelligence about the fishing industry that the supposed experts in the field of economics would do well to study. These people do not want handouts. They do not want disguised welfare—lard on the government, as it has been described. All they want is sensible direction from the government. But they have lost faith in the government, due to the ever changing policies. They are sick and tired of the here-today-gone-tomorrow assistance programs. They would like a chance to compete against the foreign draggers which are allowed to rape their very livelihood, because the government will not enforce fishing limits. They want only realistic direction by the government in creating a market, and being told what the market needs. They also want to have a fair price commensurate with the cost of equipment.

In a previous speech in the house I invited the various ministers to visit my district, instead of junketing to other countries. That invitation still stands. Perhaps I might invite the Prime Minister to visit the rural fishing

communities of Newfoundland, where he would see the human problems. Yes, Mr. Speaker, human—a word which he uses so often in his speeches across the country. Let him take a good look at humanity in Newfoundland. We cannot fly him there by a special plane. There are no shopping centres and there will not be any crowds of mini-skirted teenagers. There will be no flowers, no hippies and no poles to swing on. Neither will he be able to book any hotel suites, as at Claridges in London, nor a suite that the queen mother of Jordan uses. But he will see a part of Canada, and a people who have for far, far too long been taken for granted, and for far, far too long have been neglected. He will see a fishing industry that has been allowed gradually to disintegrate to the present emergency proportion.

On November 22 in this house I pointed out very clearly, in a question which appears in *Hansard,* the impending shutdown of a fishing plant on the northwest coast of Newfoundland. No one took even a blind bit of notice. Today we are threatened with the collapse of the complete fishing industry of the Atlantic region. Now is the time for our task force, but let us make it an emergency task force and not a long term one.

The Newfoundland members have been crying "wolf" ever since we came here to Ottawa concerning the problems of the fishing industry. The wolf is at the door. Will the government believe us and find a solution to this emergency by reinstating the deficiency payments or offer assistance and thereby assure the industry and its people that there is some ray of hope for their future livelihood?

Mr. Lundrigan: First of all, Mr. Chairman, I should like to congratulate a great friend of ours from Surrey, who certainly came to our assistance very ably today. I should like also to point out to the hon. member for Comox-Alberni, a very distinguished west coast area, that we sympathize if he has any problems, but we would like more understanding on his part as well.

I am greatly encouraged by the sincerity of the new Minister of Fisheries, who I am sure is sincerely aware of the problems in Canada. I am sure also that, in the long run, obviously he will make a genuine attempt to do something about this. I am not equally impressed by the attitude of the Prime Minister of Canada. In the few minutes I have, if I were to speak to this one point I would be certain to point out to the Canadian people that this lack of sincerity will show through to the Canadian people, and that this Prime Minister, who treats the House of Commons as a circus, will not continue to get away with this kind of clowning. The Prime Minister might kiss his way across Canada during an election, but let him not think that he will have the same kind of success in trying to kiss away the problems of the Canadian people as they relate to the economy of the Canadian Atlantic fishermen.

• (5:40 p.m.)

I should like to have seen the Prime Minister here today, because then I could be a little more aggressive; but as he is not here I will be polite now and refrain from doing so. I will take the opportunity when he is here to tell him exactly what I think of him, which perhaps might or might not shock my colleagues.

An hon. Member: He will be here for 20 years.

Mr. Lundrigan: He will not be here next year, if he continues in his present attitude. I say that in reply to the colourful remarks of the hon. member who just spoke.

I was a little disappointed about the statement today of the Minister of Fisheries. I cannot blame him for this kind of statement, because he is a new minister. All he actually did was an excellent job of identifying the problems, but we have had people identifying problems ever since I was very young. Many people have identified the problems facing the fishing industry.

On September 20 I asked the Minister of Fisheries if and when a long term plan would be announced to the house and the Canadian people. On a number of other occasions my colleagues have asked a similar question. This request has been made almost every day. We have wanted the Minister of Fisheries to make a statement in respect of a short term plan to keep this industry alive during the interim between now and the date when a long term plan is announced. Day after day we have received the same answer, that the "plan will be announced shortly". In the meantime, as I and my colleagues have said, the salt rebate has gone, indemnity relating to insurance has gone, the community stage program has gone, the plans for fishing facility expansion, which is under another department, have been curtailed, deficiency payments have disappeared and livelihoods are going. This is the situation we are finding ourselves in: The industry is bleeding

to death, and all we have heard from hon. members who have spoken on the government side today, and all we have heard since we have been old enough to understand English or French, is that something will be done soon.

The minister told us today that we are on the edge of something. He told us that prices are down but that costs are up. This is his answer to the trade. During an emergency situation the minister sent a telegram to the industry in which he asked this of it:

> Please do not count on any new program of government assistance being put into effect before the end of the federal government's current fiscal year which is March 31st, 1969.

He further indicated today that if markets improved all will be well and good, and that if they do not the industry is going to have to improve its productivity, its cost arrangements and its expenditures in order to become self-sufficient. This is similar to what the minister said in Boston. He indicated that we need a long term plan, a new bright program and a new program of action.

Let me say to the hon. member for Comox-Alberni that if I had the time I should like to develop this. In the meantime let me quote from a statement made in 1964 in which the then minister of fisheries, Mr. Robichaud, told the Canadian people that the federal government was going to come up with a Magna Carta for the fisheries industry. King John would have been proud of this action in 1964. This statement was quoted all across Canada. We were going to have a new Magna Carta for the Canadian fisheries industry. If I had the time to quote in detail I would be able to make the same kind of speech the Minister of Fisheries made to the house today. In any event, in 1964, the then minister of fisheries said that the resources in Canada's inland waters and neighbouring seas can support a great long-term expansion of the fishing industry. He indicated that the future for fishermen is bright, and went on to say, not facetiously, that there must also be a progressive program which will take into account our sports fishery. That was said in 1964, after the minister had met with all the provincial ministers.

This report of the ministers' conference was tabled in Ottawa on January 24, 1965, and it states in part:

> The conference stressed the importance of effective long-term planning to provide adequate harbours marine works and navigational aids to meet the changing needs of the inshore and offshore fisheries.

I wish I had the time to quote the entire statement by the then minister of fisheries, and compare it with what the present Minister of Fisheries said today. Today we heard the minister define these problems. He presented us with a lecture. If talk could solve our problems we would be making the greatest progress ever made in the history of Canada, and perhaps I should say that I am sorry I feel I should add my two cents to this matter.

An hon. Member: Could the hon. member say whether the then minister of fisheries was referring to a long term plan to assist in marketing problems?

Mr. Lundrigan: Let me recommend to hon. members, especially on the back benches, that they read the results of this conference in 1964. It was a long and great conference of ministers of the various provinces. Even the premier of Newfoundland was present, and this was the statement that resulted from that conference. It was referred to in the former prime minister's statement to an hon. member for Newfoundland.

I do not think we can hold the minister responsible for the attitude of the Newfoundland government, which is responsible for many of the difficulties of the fishing industry today. Nor can we hold him responsible for the government's attitude in respect of foreign aid, but a little stimulation in this regard would alleviate this problem to some extent.

The fishing industry in Canada has been treated as the poor stepchild of the Canadian economy. This is the reason for the extreme difficulties we find ourselves in right now. We cannot hold the government responsible for the non-productivity or the sometimes questionable attitude of merchants, and I use that word deliberately. We cannot hold the minister responsible for those non-productive attitudes of fishermen. Neither can we hold him responsible for the lack of diversification in the industry. However, we can hold this government and this minister responsible for not taking issue with the present attitude of this government toward the United States government, because I think in Canada we are going to have to set up a trade relationships and prices support board in order to solve our problems, and to come to grips with the United States in respect of our fishing industry. This would allow us to call the shots so far as this industry is concerned. However, the federal government does not seem to give a damn about these things. I hope you will

excuse the language, Mr. Chairman but apparently we are never going to have a fish policy.

I am trying to rush through my remarks to give other members a chance to put in their two cents worth. I should like to conclude by saying there are three basic problems in this industry which might be referred to as the three "p's". There is a lack in respect of prices to fishermen, there is a lack of productivity and a lack in respect of processing. If I had time to develop these three ideas I think I could point out, as my hon. friends have done today, that aspect referred to by the hon. member for Bonavista-Trinity-Conception. There is not an easy solution to these critical problems; but unless the federal government is literally prepared to come up with a medicine cabinet full of solutions, rather than band aid solutions, we will have no fishing industry in Canada, come spring. At that time we will not have to worry about the fishing industry because it will no longer exist.

We must worry now about what is going to happen next year. Long term planning is the only answer to the Canadian fishing industry's problems today. If the industry is left to die, our problems will be related to the creation of a fishing industry in Canada, rather than helping to preserve the industry we now have. We need a change of attitude on the part of the federal government, and the minister will have to face the facts. If he does not, we will be on our feet at every possible opportunity. We will continue to talk about this matter until the government is willing to deal with the problems facing the Canadian fishing industry today.

Mr. McGrath: Mr. Chairman, I listened to the minister during the debate on this issue and I was rather surprised by what can only be described as his cavalier approach to what we consider to be the very serious problem, and crisis, facing the groundfish industry in eastern Canada. We listened to the minister refer to the fact that we have never had it so good, and that these are the best possible years. He referred to the queen crab industry, and in glowing terms to the herring fishery. He also mentioned fish protein concentrates and several other things, but he had very little to say about the problems we are facing in eastern Canada today. We believe this problem to be critical and of a crisis proportion. If the minister thinks the Newfoundland fish trades are bluffing he is in for a rude awakening, because I guarantee that they are not bluffing. I am sure the Minister of Defence Production knows in his heart that these trades are not bluffing.

Let me suggest to the minister that it is about time he stopped playing Russian roulette with this serious problem. In his telegram of last Friday he as much as said to the Newfoundland Fish Trades Association that there will be no more aid and no further programs to assist the industry until next year. Some five months from now the industry might get assistance from the government of Canada in respect of the situation which exists today. Surely that is an indication that the minister is gambling over this serious crisis.

The Minister of Defence Production went one step further, trying to qualify what the Minister of Fisheries had said. I suppose one will have to wait until he reads *Hansard* to discover exactly what these ministers did say. We were treated to the unusual experience of two ministers speaking in the house on the same estimates, with one apparently attempting to qualify what the other said. Surely this points out the inconsistency of the entire situation.

I asked the Minister of Defence Production during the course of his speech whether he agreed with what the Minister of Fisheries said in the telegram he sent to the Fish Trades Association. However, he evaded my question; he did not answer it. I am going to read, for the record, what the minister said in the telegram which he sent to the trade the day before yesterday:

• (5:50 p.m.)

Re your tel November 28th the brief presented to the federal government by Atlantic groundfish industry is under active consideration. Impossible however for me to outline government's response to brief's proposal this week as your telegram suggests. While I recognize marketing and other difficulties which your industry faces it is now apparent that programs of government assistance cannot absolve your management of its decision-making function.

In other words, "We are going to call your bluff"—that is what the minister was saying. The telegram continues:

Please do not count on any new program of government assistance being put into effect before the end of the federal government's current fiscal year which is March 31st, 1969.

I ask the Minister of Defence Production again—he is not in his seat but he is in the house—does he agree with that telegram?

Mr. Jamieson: Do you want me to answer it now?

Mr. McGrath: Yes, of course.

Mr. Jamieson: Mr. Chairman, I am sorry that my answer was not clear enough before for the hon. member. The words used were, "Please do not count on any new program." I think those were the exact words used. I believe the Minister of Fisheries, as I said, was wise to put it in that form. I suggest, however—and I suspect the Minister of Fisheries would be willing to confirm this—that this does not preclude the introduction of something earlier if a formula can be devised. The whole emphasis I was putting on it was the difficulty in finding what that formula should be.

Mr. McGrath: The fish trades in their brief of November 13, to which the minister referred, made it very clear to the government that unless some aid program was continued the industry would collapse. If that was not sufficiently clear to the minister, they pointed out again to him in the telegram of last Friday that unless aid was forthcoming they would have to take decisions tantamount to the collapse of the industry. Is the minister prepared to take the consequences if the groundfish industry in Atlantic Canada collapses because of the lack of action by the government?

Is the Minister of Defence Production prepared to take the responsibility, in relation to the people of Newfoundland, if the groundfish industry in that province collapses, because of inactivity on the part of the government of which he is a member? Surely he must accept this responsibility. He tried in the house today to defend the government's inactivity. My time is limited, but I hope the minister will say something positive and definitive before the house rises today, because it seems to me there is very little wrong with the groundfish industry that the government cannot tackle in a positive way. The answer is overproduction, markets that are oversold, and a government that does not give a damn.

Mr. Jamieson: That is the problem. You have not given any answer.

Mr. McGrath: The minister said I have not given any answer. I would like to refer briefly to the fact that when the Minister of Fisheries opened his remarks today he requested members of the opposition to make suggestions, because he obviously did not have any. Now the Minister of Defence Production says the same thing. I suggest, Mr. Chairman, that it is the responsibility of the government of Canada, and the Minister of Fisheries and the Minister of Defence Production as members of the cabinet, to bring in solutions to this serious crisis. It is not my responsibility as a member of parliament.

Mr. Jamieson: Just for the record, Mr. Chairman, I did not say anything of the kind. The hon. gentleman put words in my mouth and I am sure he did not intend to do that. I simply suggested to him that he had made a statement that the answer was overproduction. That is not the answer. I said these were the problems and suggested that he should put forward solutions to them.

Mr. McGrath: Mr. Chairman, that smart alecky reply will not help the situation at all. This is the kind of frivolous approach on the part of the minister which tries to downplay what is in fact a serious crisis facing the basic, stable industry of our province. All the minister can do is stand in the house and make frivolous suggestions, as he has just done.

Mr. Jamieson: You do not like facts, do you?

The Chairman: Shall vote 1 carry?

Mr. McGrath: Mr. Chairman, before vote 1 carries, I am sure the committee would agree that the minister should be given limited time at least to answer some of the questions that have been raised today.

Mr. Davis: Mr. Chairman, first I would like to say in as emphatic terms as possible that I recognize we have a serious situation in the Atlantic fisheries. We certainly have a serious situation in respect of the ground fishery in the Atlantic area, and particularly in Newfoundland. I do not think anyone who has any knowledge of that area, and particularly of the ground fishery, would say otherwise.

There have been references to band aid treatments. There have also been references to the need for a whole medicine chest. I suggest there is also need, long term anyway, for a little surgery as well. I think we should face facts. What hon. gentlemen opposite are really saying is that an industry which has had difficulties over the years, and a great deal of support from the Canadian taxpayer, wants more support; it can get this support in band aid fashion in terms of millions of dollars with few or virtually no strings attached. That is perhaps the bluntest definition that I can give of the band aid treatment.

Certainly we need a longer term policy, and a longer term policy really points to the

progressive rationalization of the industry, basically one which will reduce costs; a policy which must recognize, however, the human values involved, the rights of people, the attachment they have to their homes in many, and often remote, areas of the country. It is not easy to find long term solutions which do not influence the lives of people and will not uproot them and move them. We have to face this fact. We have begun to face it in Canada, and particularly in Newfoundland on a relatively small scale. The centralization program, which several hon. members have mentioned, is resulting in the movement of people, which affects their social values. We will have to continue this resettlement plan. I hope we can have a more effective and bigger program.

I made a few rough calculations about the extent of taxpayer support—it is not just government support; it is money of the people of Canada—for that part of Canada which supports groundfish industry, namely the Atlantic area. A great deal of assistance is now going to that area, without this additional band aid treatment in respect of which some hon. members have asked that an announcement be made in a matter of days or weeks. This support is of the order of $40 on every $100 of production. This is a great deal of support. There is no question of nothing being done, because a great deal is being done. Some people might say that the money has been misspent, but it is very substantial support.

Research in fisheries amouunts to 5 per cent at least of the gross value of the catch. This is the largest of any industry in Canada. There can be no doubt that research expenditure for the fishing industry has been very substantial in dollar terms, and I think in quality. So there can be no excuse asked for or given in that regard. With regard to general support, the budget of the department is $50 million. The total value of the fishery in Canada is $300 million. This is a great deal of money relative to the total value of the fishery, and certainly a proportionate share is going to those parts of the country which are having a problem with the ground fishery, particularly the Atlantic area.

We have to do several things. I am personally attracted to the idea of a solution for the salt fishery somewhat similar to that proposed for the fresh water fishery. I think that unless other and better propositions are advanced very shortly we will have to arrange for the more orderly and effective single-desk marketing of our salt fish production. I think this would certainly improve quality and would slowly, progressively centralize the industry as well. This would lead to the movement of people to fewer centres, where there could be more efficient collection and where fish in the round could be handled with centralized efficiency.

With regard to processing, we have to produce quality salt fish and regain our position in the world as a supplier of salt fish. We can do that when we come to the fresh and frozen commodity, which has been the mainstay of the industry. We are concerned with an industry which surely in some measure at least should remain in the hands of private ownership. It is certainly an industry in which the individual fisherman still has a very substantial role.

• (6:00 p.m.)

This is a question which hon. members on all sides of the house should really ask themselves: How far can a government assist an industry before the taxpayers who are supplying the money begin to demand remarkable changes in respect of the way that industry is run? We are all asking ourselves that question, and no doubt some hard decisions will have to be made.

I received a telegram, which had been referred to several times during the course of the debate today, which in effect said that the industry may shortly have to tie up many of its vessels. I was wondering where the money was going to come from to enable the fresh and frozen industry to send its vessels to sea in January or February of next year, and to make them productive again. As I said before, we have had two special programs totalling $8 million brought in during 1968. At this moment we do not have money set aside in the estimates or in the budget of the federal Department of Fisheries for additional support of this kind. It may be necessary to give some interim support, but I thought that the frank thing to do was to tell the industry that so far as I knew, and so far as I could tell them with certainty, no money at this moment is earmarked for payment to them prior to March 31, 1969. That is the situation as of this moment.

This does not prevent the government from developing two policies, one short term and one long term, communicating them to the industry, discussing them, and announcing them in full measure in the next month or two. However this is a frank statement of the situation in which we find ourselves today. I

know that many companies are in difficulties; a few are in serious financial difficulties. We will have to assess the situation from day to day. But it would be wrong of me to try to outline a definite and final policy of financial assistance to the industry to help to get it back to sea again early in the new year, when the moneys are not yet definitely earmarked. Certainly it would be wrong of me to try to pretend we have all the answers in respect of a long term policy which will not hurt and will not involve moving people and closing down some plants. I hope that we will be able to define that long term policy and improve upon it as time goes by. I am sure we will define it in the new year and, with your help, improve upon it as the months go by.

Mr. McGrath: Before we rise, Mr. Chairman, may I thank the minister for his statement. It is a very sound and sensible one, and we on this side appreciate what he said. We are only sorry he did not say it earlier.

Item agreed to.

The following items were agreed to:

Fisheries Management and Development—

5. Operation and Maintenance including Canada's share of the expenses of the International Commissions detailed in the Estimates and of the costs of programs and projects shared jointly with the Provinces and industry, and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the International Great Lakes Fishery Commission of the cost of work on lamprey control and lamprey research, $22,602,500.

10. Construction or Acquisition of Buildings, Works, Land and Equipment, including acquisition of land for the International Pacific Salmon Fisheries Commission, as required by Article VIII of the Convention and payments to provinces or municipalities as contributions towards construction done by those bodies, $5,378,600.

15. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of Estimates, $3,820,000.

Fisheries Research Board of Canada—

20. Administration, Operation and Maintenance, including an amount of $500,000 for grants for Fisheries Research and for Scholarships and authority to provide free accommodation for the International North Pacific Fisheries Commission, $12,135,000.

25. Construction or Acquisition of Buildings, Works, Land and Equipment, $4,000,000.

Forestry—

30. Administration, Operation and Maintenance, $18,271,025.

35. Construction or Acquisition of Buildings, Works, Land and Equipment, $3,697,000.

40. Grants and contributions as detailed in the Estimates, $1,516,000.

The Chairman: That concludes the estimates of the Department of Fisheries.

Resolution adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. MacLean: Perhaps, Mr. Speaker, for the convenience of hon. members the government house leader would indicate the business which the government proposes to place before parliament next week.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, on Monday we will return to the committee of supply and deal with the estimates of the Cape Breton Development Corporation and regional development, both of which were referred back to the house and to the committee of supply from the standing committee today. Perhaps I might add also, for the advice of the house, that under the order we adopted on September 20 this will be the last allotted day in committee of supply. All the estimates will, at the close of business at 10 o'clock on Monday night, or earlier if the house agrees, be put to the house. This will be therefore the final supply day coming up on Monday next.

Mr. Knowles (Winnipeg North Centre): May I ask the minister if he would advise the house what departments we would turn to if we were to finish regional development before the time expired?

Mr. Macdonald (Rosedale): Well, the Minister of Transport will be available. However I might solicit advice and suggestions from hon. members as to those departments they would like to hear from, which have not already been dealt with, and I promise that to the best of my ability I would try to have them called during the day.

It being eight minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF FISHERIES AND FORESTRY

1, 5, 10, 15, 20, 25, 30, 35, 40.

HOUSE OF COMMONS

Monday, December 9, 1968

The house met at 2.30 p.m.

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fourth report of standing committee on finance, trade and economic affairs, in French and in English—Mr. Gaston Clermont (Gatineau).

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

BILINGUALISM AND BICULTURALISM

TABLING OF SECOND REPORT OF ROYAL COMMISSION

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to table, with the consent of the house, copies of the English and French versions of Volume II entitled "Education" of the report of the royal commission of inquiry on bilingualism and biculturalism.

[*English*]

Mr. Speaker: Has the right hon. Prime Minister leave to table these documents?

Some hon. Members: Agreed.

PROCEDURE

MOTIONS FOR CONCURRENCE IN COMMITTEE REPORTS

On the order: Motions:

December 6, 1968—Mr. Blair (Chairman of the Special committee on procedure of the house):

That the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to this notice of motion. The point of order I wish to raise is to the effect that in the light of the privileges and practices of the house this matter should not be dealt with in the way proposed, and further that consideration should be given to the form of this motion before we reach the point at which it is moved for debate. I do not contend that it is necessary for Your Honour to rule on my point of order today, but in view of the fact that this is the first opportunity for me to raise the point of order I felt I should do so at this moment lest I be out of court if I left it until later.

Standing order 50 reads as follows:

Whenever Mr. Speaker is of the opinion that a motion offered to the house is contrary to the rules and privileges of parliament, he shall advise the house thereof immediately, before putting the question thereon, and quote the standing order or authority applicable to the case.

I do not contend that there is a precise rule or standing order governing this matter. Indeed, there are no standing orders that tell us how to revise our standing orders. I do contend, however, that dealing with the matter in this way is contrary to the privileges of parliament, and I make that contention on three grounds. In the first place I draw the attention of Your Honour and the house to the fact that on other occasions when the rules of the House of Commons have been subjected to a thorough overhaul, it has been done by referring the matter to the committee of the whole house. I contend, therefore, that it is against the privileges of parliament to ask us to deal with this major overhaul with the Speaker in the chair, which gives us no opportunity to deal with the various rules one by one.

May I take a moment to document my contention that the privileges of parliament are clear so far as our past practice is concerned. In 1867, the first time there was any revision of the rules this parliament inherited from the parliament of the former Province of Canada, a motion was made on December 28 to refer the proposals made by the committee at that time to the committee of the whole house.

The next time the rules were revised was in 1876, and the same practice was followed. If you will consult *Hansard* for that year, at page 905, for March 29, 1876, you will find that the matter was referred to the committee of the whole house. The rules were dealt with seriatim by that committee of the whole house, and subsequently the house gave them both second and third reading.

Proposed Changes in Procedure

• (2:40 p.m.)

In other words, it was clear in the early days that these were matters that had to be dealt with as being of substance and importance; that the house had to have an opportunity to deal with the rules individually in committee as well as to pass on them in the house itself.

The next major overhaul came in 1906. Again, if one refers to *Hansard* of July 9 of that year, page 7459, he will find that Right Hon. Sir Wilfrid Laurier moved the motion to refer to the committee of the whole house the report of a special committee on procedure which had been presented earlier. The same thing happened in 1910 when there was another major overhaul. The motion was made on April 29 of that year, as recorded at page 8336 of *Hansard*. Again it was Sir Wilfrid Laurier who made the motion to refer the committee's report to the committee of the whole house.

The next occasion when there was a major change in the rules of the house was in 1913. I will come back to it later, rather than dealing with it at this point, because it presents a very interesting exception to the rule. After that the next occasion was 1927. On March 18 of that year, as recorded in *Hansard* at page 1337, Mr. Lapointe moved that the report of the committee that had been tabled be referred to the committee of the whole house.

The next occasion was 1944. On March 7 of that year Right Hon. W. L. Mackenzie King moved that the committee's report which had been tabled be referred to the committee of the whole house. That was the first occasion upon which I participated in a debate on procedure. I remember it very well. It did not get very far; certain members were against it, it bogged down in committee of the whole, and that committee's report was never adopted.

The next occasion was 1955, when we had a very thorough study under the direction of Hon. Walter Harris. The report of the committee was presented and on June 14, as recorded in *Hansard* at page 4751, Mr. Harris moved that the matter be dealt with in the committee of the whole house, and this was done commencing July 1 of that year. The next major overhaul came in 1965. On that occasion Mr. Pearson on June 8, as recorded in *Hansard* at page 2129, moved that the matter be dealt with in the committee of the whole house.

So our practice over the years is clear. Changing our rules is not something we do by a sudden death motion with Mr. Speaker in the chair, which gives us no opportunity to deal with the rules seriatim. It has almost always been done by referring committee reports to the committee of the whole house.

There are some exceptions to this practice, and I draw attention to them quite frankly. These exceptions do not alter the general rule. For example, there have been a number of occasions when committee reports proposed temporary changes. I had the privilege of moving some of them myself. They were moved with Mr. Speaker in the chair. There were a few occasions when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister, when the same thing was done when some temporary rules were put in for one year, then another year and continued. There was no objection to its being done that way, so it was done on that occasion by adopting a report with Mr. Speaker in the chair.

I submit that in all these instances there was general consent to its being done in that way and they do not invalidate the established practice that whenever there is a major overhaul the committee's report is referred to the committee of the whole house.

The only exception to this rule so far as any substantial change is concerned was in the year 1913. I hope my hon. friends to the right will not take umbrage if I again express some criticism of the Tories of that day. The Tories of today are a little different; they are now Progressive Conservatives.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): On that occasion back in 1913, Sir Robert Borden was prime minister. As all students of history know, parliament was engaged in the naval aid bill debate, which went on and on and on. In due course the government of the day stopped the debate right in the middle of it and brought in a motion to amend the rules. One of the changes proposed in that motion was the introduction of the infamous closure rule, which we now have as standing order 33. The matter was not referred to a committee of the whole house; it was done on a government motion with Mr. Speaker in the chair. But I hope no Liberal will cite that precedent. If he should, I would ask him to read the oratory of Sir Wilfrid Laurier who then sat on the opposition side of the house and condemned the whole practice out of hand. One of the things Sir Wilfrid Laurier complained about was the very fact that the

matter was not being dealt with in committee of the whole house. I submit that the position taken by the Liberal leader of that day still holds at the present time.

So that is my first point. The others will not take so long. My first point is that the privileges of the house are clear, the rules are ours, and we have the right to be protected against one motion covering a whole host of rules, some of which we are for and some of which we are against. This denies us the opportunity to consider carefully this important matter. As I said, it has been done every time, except once, by reference to committee of the whole house, and that one time is not a precedent because it was opposed bitterly by the Liberals of the day. Furthermore, even on that occasion it was not a case of a report from a special committee but was rather a straight government motion on the order paper.

The second point I wish to make is that I have found at least one case—there may be others—where concurrence in a report with Mr. Speaker in the chair did not put into effect what was contained in the report. I will not take the time of the house to go into this now—I will be glad to present a memorandum on the point—but I submit there was some doubt as to whether the mere concurrence in a report with Mr. Speaker in the chair without the rules having been considered seriatim in committee of the whole would effect changes in our standing orders.

The third point is that I contend that although this motion seems proper because there is provision in the rules for motions to concur in committee reports, it is a disguised way of making us deal with a complicated question on one vote. May I remind Your Honour that on June 15, 1964, Mr. Speaker Macnaughton had to deal with this issue on the occasion of the flag debate, and those who were here will remember that that motion in its first form contained two separate sections. Some of us contended it was a complicated matter and we had the right to have it divided into its constituent parts. There was a procedural argument about it and Mr. Speaker Macnaughton gave his ruling on the day I indicated. That ruling is to be found in *Hansard* from page 4303 to page 4306. Mr. Speaker Macnaughton went over our own practices; he also went over the practices of the British House of Commons, and in the end he relied on standing order 1 of our rules which says that if nothing is provided for in our rules we have to go by the practices in the British house.

29180—231½

The precedents in the ruling he gave on that occasion made it clear that it is the Speaker's duty to see to it that members are not put in the position where they have to vote at once on several phases of a matter, to some of which they may be opposed and others which they may be prepared to support. I submit that this is what we are being presented with in disguise in the fourth report which is mentioned in the motion on the order paper at the moment, which contains some proposals which I for one am quite happy to support. It also contains at least one proposal to which I am strongly and bitterly opposed. I contend that I personally have the right to vote separately on those different rules in committee of the whole, and I contend that parliament as a whole has this right.

I found some interesting quotations in my research into these experiences during the past hundred years. One of them which amused me was back in 1876 when the rules were being revised. The house went into committee of the whole in the proper way. But one member complained bitterly that the changes in the rules were not going far enough. In fact he said, "If we don't watch out the sessions are going to get longer; they will be three months a year instead of two." This was in 1876. I also found many occasions when the chairman of the special committee, usually the Speaker himself, said to the house that the way we must deal with this is not on a partisan basis, not on the basis of government versus opposition, but in the full recognition that these are the rules of the parliament of Canada, a parliament that belongs not to us but to all the people. I submit, therefore, that we should not be confronted with any short cuts. We should deal with these rules in a way that has been made clear by the practices of this House of Commons for the past 100 years.

• (2:50 p.m.)

Hon. Donald S. Macdonald (President of the Privy Council): I can just deal briefly, Mr. Speaker, with the three points brought up by the hon. member for Winnipeg North Centre. His first proposition was that it is one of the privileges of the house that the rules should be amended by a procedure whereby a resolution is put in the committee of the whole house. I suggest, Mr. Speaker, that the precedents cited by the hon. member for Winnipeg North Centre indicated that there are at least two procedures for dealing with

changes in the rules of the house. These changes can be dealt with either by way of a resolution to be dealt with in committee of the whole, as indicated in certain examples by the hon. member, or alternatively in the manner of proposals made in a committee and the recommendation that the report of the committee should be considered with Mr. Speaker in the chair. This procedure has equal validity.

I suggest there were really these two options open and we have chosen the one option, namely that of dealing with these very complicated matters through a report of the special committee on procedure and a motion for concurrence in that report. I point out that in recent years, on April 26, 1967, an order of the house was adopted covering some fairly complicated changes in the rules. As the hon. member says, those changes were made on a provisional basis; neverthless they were complicated, and this was done by concurrence in a committee report. This was the case, too, with regard to a permanent change which was made in the rules by concurrence in a committee report recommending a time limit for the ringing of the bells.

There are, therefore, precedents to support both these vehicles for getting house approval of these particular measures. I would therefore disagree with the argument advanced by the hon. member for Winnipeg North Centre when he says there is only a unique procedure for doing this when you have complicated and perhaps controversial proposals.

I should like to make reference to one other matter which the hon. member mentioned, and that is that this is a complicated question and therefore is not to be decided on one single vote. I point out in the first place that the house decided, and I think it was a wise decision, that changes of the scope which have been considered in the special committee on procedure are perhaps better made by a small representative group of members in a special committee on procedure rather than in the house as a whole. I would say that is so because it was found necessary to hold no less than 26 sessions of that particular committee, and to invoke the assistance of the people at the table as well as other officers of the house for the purpose of drawing up these very complicated changes in the standing orders. I make the basic argument, therefore, that if changes are to be made, those changes should be made in a special committee on procedure because that is the most effective forum for dealing with such an examination.

[Mr. Macdonald (Rosedale).]

It is acknowledged at once there is not general support for all the proposals. It is really because of this non-support of the whole of the report of the special committee on procedure that there was not a single report but three reports. The first report was merely for the purpose of explaining the attitude of the committee toward the proposals, and a general description of the changes. The second report contains the principal changes in the standing orders and also those which are the most subject to controversy. The third report on the order paper, the fifth report of the committee, incorporates those changes, which it has been assumed by the special committee on procedure will not be of a controversial nature and will probably find general acceptance in the house.

It is not true to say that the hon. member who has just spoken or any other hon. member will be without a vehicle for expressing his disagreement with what the committee has done, or without a vehicle for getting any committee decision changed. I suggest, given the complicated nature of the subject matter and given the complicated nature of the discussions which have taken place, probably the most appropriate manner for having the proposals changed is by taking the action that is open to hon. members, namely by moving an amendment to refer the report back to the special committee on procedure so the committee might further consider the report along certain lines, which would be suggested in the amendment to the original motion for concurrence in the report.

Therefore, Mr. Speaker, the two principal points made by the hon. member are, if I may express the last one first, that the house would not have an opportunity to express its opinion on the various proposals; and in answer I contend this opportunity does exist under the present procedure. The first of his two points is that there is a compelling precedent that requires rule changes of this kind to be dealt with in only one way; and I contend this argument is wrong, and wrong in face of the very precedents cited by the hon. member for Winnipeg North Centre, which indicate that either procedure has been and is acceptable to the house in changing the standing orders of the house.

Mr. Baldwin: Next year the government will be changing them by order in council.

Mr. Speaker: Order. The hon. member for Winnipeg North Centre suggested in his presentation that the debate on the report be

carried out in committee of the whole rather than with the Speaker in the chair. He referred to a number of precedents and rules which he suggests should be considered by the Chair. I have also listened to the arguments brought forth by the President of the Privy Council. To give effect to the very reasonable suggestion of the hon. member for Winnipeg North Centre I will consider this question between now and tomorrow.

I might say that my natural inclination would be to have the debate in the committee of the whole rather than with the Speaker in the chair, but I will not allow this personal consideration to colour my objective judgment.

Shall the motion stand?

Some hon. Members: Stand.

On the order: Motions:

December 6, 1968—Mr. Blair (Chairman of the Special committee on procedure of the house):

That the fifth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in.

Mr. Speaker: The hon. member for Grenville-Carleton.

Mr. Blair: Stand.

Mr. Knowles (Winnipeg North Centre): I raise the same point of order, Mr. Speaker.

Mr. Speaker: Motion stands.

CENTENNIAL MEDAL

TABLING OF LIST OF RECIPIENTS

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, if the house gives me leave I should like to table the list of recipients, excluding those nominated by the Canadian armed forces, of the Canadian Centennial medal, 1967.

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

Some hon. Members: Agreed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FEDERAL GRANTS TO PROVINCES

Question No. 289—**Mr. Harding:**

1. What was the total amount paid, or estimated to be paid, by the Government of Canada to the provinces for both unconditional grants and conditional grants for (a) the fiscal year 1967-68 (b) the fiscal year 1968-69?

2. What was the specific or estimated amount paid to each of the provinces by the Government of Canada for each category under the unconditional grants for (a) the fiscal year 1967-68 (b) the fiscal year 1968-69?

Hon. E. J. Benson (Minister of Finance): 1. The total amounts paid, or estimated to be paid, by the government of Canada to the provinces for both unconditional and conditional grants for the fiscal years 1967-68 and 1968-69 are as follows: (a) 1967-68, $2,258,-301,000; (b) 1968-69, $2,454,057,000.

Not included in these totals is the tax abatement portion of the post-secondary fiscal transfer. In 1967-68, the value of the tax abatement was $227,613,000. In 1968-69, the value of the tax abatement is estimated at $252,941,000.

2. The estimated amounts paid to each of the provinces by the government of Canada for each category under the unconditional grants for the fiscal years 1967-68 and 1968-69 are as follows:

(a) for fiscal year 1967-68

	Statutory Subsidies	Share of Income Tax on certain Utilities	Equalization	Stabilization
		(in thousands of dollars)		
Newfoundland	9,656	375	67,866	–
Prince Edward Island	657	66	14,102	20
Nova Scotia	2,132	634	77,350	–
New Brunswick	1,745	34	66,469	–
Quebec	4,023	673	249,877	–
Ontario	4,624	1,576	–	–
Manitoba	2,127	276	43,659	–
Saskatchewan	2,155	11	26,733	–
Alberta	2,955	2,886	1,551	–
British Columbia	1,673	169	–	–

Questions

(b) for fiscal year 1968-69

	Statutory Subsidies	Share of Income Tax on certain Utilities	Equalization	Stabilization
		(in thousands of dollars)		
Newfoundland	9,656	851	72,675	–
Prince Edward Island	657	150	14,399	–
Nova Scotia	2,132	1,438	82,384	–
New Brunswick	1,745	77	75,030	–
Quebec	4,023	1,527	285,666	–
Ontario	4,624	3,575	–	–
Manitoba	2,137	626	40,107	–
Saskatchewan	2,151	25	18,391	–
Alberta	2,955	6,548	–	–
British Columbia	1,672	383	–	–

FEDERAL SUPPORT FOR FILM SOCIETIES, ETC.

Question No. 429—**Mr. Roberts:** (Supplementary)

Does the Government of Canada provide any financial support for film societies, film museums or cinematheques in Canada and, if so, what has been the amount expended for this purpose for each year since 1963?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): In so far as the Centennial Commission is concerned the answer is as follows: The following grants were made by the commission during 1967: La Cinematique Canadienne, $33,000.00; Canadian Film Institute, $26,000.00; Association of Amateur Cinematographers, $400.00.

In so far as the National Film Board is concerned the answer is as follows: Since 1963-64 the National Film Board has entered into contract annually with the Canadian Film Institute in the amount of $20,000 for which services, including the maintenance of film libraries, film catalogues and listings by subject and general information for the public on films are provided.

In 1965-66, the board contracted with La Cinematique Canadienne in the amount of $8,000 to produce, co-ordinate and distribute an exhibit in Canada and Europe of the work of Norman McLaren.

In 1967-68 and 1968-69, the Board made grants of $1,000 and $2,000 respectively to the Canadian Film Awards.

In so far as the National Research Council of Canada is concerned the answer is as follows: 1962-63, $24,500.00; 1963-64, $24,500.00; 1964-65, $24,500.00; 1965-66, $24,500.00; 1966-67, $24,500.00; 1967-68, $29,500.00.

[Mr. Benson.]

The amounts listed are the financial support given to the National Science Film Library which was established in 1962 and which is operated by the Canadian Film Institute under contract with the National Research Council.

AGRICULTURAL ADVISORY COMMITTEE, CAPITAL COMMISSION

Question No. 523—**Mr. Code:**

1. Who are the Members of the Agricultural Advisory Committee of the National Capital Commission and, what is (a) the present occupation (b) the experience, of each of them?

2. What are the terms of reference of the Committee?

3. In each year 1956 to date, how many meetings of the Committee were held?

4. What are the major recommendations which have been made by the Committee?

Mr. Russell C. Honey (Parliamentary Secetary to Minister of Forestry and Rural Development): 1. Dr. Grant Carman (Chairman): (a) Director of information, Canada Department of Agriculture; (b) Research officer, animal husbandry division, Department of Agriculture, 1953-59; chief of scientific information section research branch, Department of Agriculture, 1959-1965. Dr. Rosario Pelletier: (a) Special advisor, ARDA, Department of Forestry and Rural Development; (b) 23 years director of experimental farm, Ste. Anne de la Pocatière; assistant director ARDA since its inception in 1961; consultant with the World Bank (UN) on economic planning, Morocco, 1967; chief of FAO mission for the United Nations in Iran, 1952-54. Dr. Peter C. Stobbe: (a) Director of

Soil Research Institute, Canada Department of Agriculture; (b) Two years Modern Experimental Farm, Manitoba—soil fertility programs; eight years soil surveys and soil classification in Manitoba, Quebec and New Brunswick, Department of Agriculture; twenty years principal correlator and supervisor of soil survey and soil classification programs in eastern Canada, Central Experimental Farm, Ottawa; nine years Director of the Soil Research Institute, Ottawa. Prof. N. H. Lithwick: (a) Professor Economics, Carleton University; (b) Assistant professor of Economics, Carleton University 1963 to 1967; Associate Professor of Economics, Carleton University, 1967-68 and Chairman of the Graduate Program in the Department of Economics; Member, Committee of Management, School of International Affairs, Carleton University; Consultant to the Science Council of Canada, 1967-68. Mr. Howard D. Carr: (a) Credit Policy Advisor, Farm Credit Corporation; (b) Present post since 1963; six years Appraiser and Chief appraiser Canadian Farm Loan Board; five years Settlement Officer, Veterans' Land Act.

2. The Committee considers and investigates matters relating to the use and development of land in which the National Capital Commission may be interested for agriculture and forestry purposes (i.e.) rental policies, maintenance, rehabilitation farming practice; economic studies.

3. Since its inception on February 25, 1966, the Committee has met as follows: 1966, 4 meetings; 1967, 3 meetings; 1968, 4 meetings.

4. This Advisory Committee has considered many matters over the period of its existence. Its recommendations are made to assist the Commission in its consideration of certain matters. Such recommendations, which are subject to approval or action by higher authority, have traditionally been considered as privileged information.

HISTORICAL ADVISORY COMMITTEE, NATIONAL CAPITAL COMMISSION

Question No. 524—**Mr. Code:**

1. Who are the Members of the Historical Advisory Committee of the National Capital Commission, giving date of initial appointment in each case?

2. What are the terms of reference of the Committee?

3. In each year 1956 to date, how many meetings of the Committee were held?

4. What are the major recommendations which have been made by the Committee during the said years?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Mr. W. E. Fancott, November 15, 1960; Mr. W. E. D. Halliday, November 15, 1960; Mr. R. H. Hubbard, November 15, 1960; Dr. R. F. Legget, November 15, 1960; Mr. Eric Morse, November 15, 1960; Mr. A. J. H. Richardson, November 15, 1960; Mr. D. Ritchie, November 15, 1960; Mr. Augustin Potvin, June 26, 1961; Dr. Louis M. Bloomfield, June 3, 1963; Dr. J. E. Bissonnette, June 3, 1963; Mrs. F. R. Crawley, June 3, 1963; Mr. Egide Dandeneault, January 20, 1964; Mr. David Farr, January 20, 1964; Dr. W. K. Lamb, January 20, 1964; Mr. Marc Laterreur, January 20, 1964; Prof. Jean Hamelin, October 20, 1967; Mrs. E. S. Stanley, November, 1967; Mr. C. C. J. Bond, January, 1968; President of the Ottawa Historical Society, January 29, 1962.

2. The historical advisory committee makes recommendations with regard to policies relating to the administration, preservation and maintenance of any historic place or historic museum of the National Capital region.

3. The historical advisory committee held its first meeting on March 24, 1969. Other meetings were: 1959, 5; 1960, 3; 1961, 2; 1962, 2; 1963, 3; 1964, 2; 1965, 2; 1966, 1; 1967, 1; 1968, 1.

4. This advisory committee has considered many matters over the period of its existence. Its recommendations are made to assist the commission in its consideration of certain matters. Such recommendations, which are subject to approval or action by higher authority, have traditionally been considered as privileged information.

ADVISORY DESIGN COMMITTEE, CAPITAL COMMISSION

Question No. 525—**Mr. Code:**

1. Who are the members of the Advisory Committee on Design of the National Capital Commission, when was each appointed and what is (a) the present occupation (b) the experience of each?

2. What are the terms of reference of the Committee?

3. In each year 1956 to date, how many meetings of the Committee were held?

4. What are the major recommendations which have been made by the Committee during the said years?

Questions

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. There are ten members of the advisory committee on design to the National Capital Commission including the chairman. Members are: Dr. T. Howarth (chairman) architect and town planner, May 1964, Toronto; Mr. D. W. Graham, landscape architect, March 1967, Ottawa; Mr. Hart Massey, architect, June 1963, Ottawa; Mr. D'arcy Audet, architect, September, 1964, Hull; Mr. R. Affleck, architect, January, 1968, Montreal; Mr. J. L. Lalonde, architect, May, 1964, Montreal; Mr. J. Gareau, architect, May, 1964, Montreal; Mr. B. Myers, architect, January, 1968, Toronto; Mr. D. Crinion, Architect, March 1967, Ottawa; Mr. J. Issalys, Architect, June, 1960, Hull.

Each member has been selected for his broad experience and knowledge in his profession. All members are in practice or teaching.

2. The Committee's terms of reference are to consider proposals for the location erection alteration or extension of a building or other work by any person on public lands, or by or on behalf of a department, in the National Capital Region.

3. Prior to December 1958 the Committee was known as the Architectural Committee of the Federal District Commission.

The Advisory Committee on Design to the National Capital Commission held its first meeting in March 1959.

The number of meetings held by these two committees are as follows: 1956, 9; 1957, 5; 1958, 5; 1959, 6; 1960, 6; 1961, 9; 1962, 13; 1963, 8; 1964, 15; 1965, 13; 1966, 13; 1967, 12; 1968, 8 (to date).

4. This Advisory Committee has considered many matters over the period of its existence. Its recommendations are made to assist the Commission in its consideration of certain matters. Such recommendations, which are subject to approval or action by higher authority, have traditionally been considered as privileged information.

USE OF SATELLITE IN COMMUNICATIONS SERVICE

Question No. 578—**Mr. Blouin:**

1. Has the federal government made the necessary arrangements to provide television and communications service everywhere in Canada when the Canadian satellite is in operation?

[Mr. Code.]

2. Will these networks be put into operation with priority being given to isolated areas such as the Canadian North, as indicated by the White Paper submitted by the Minister of Industry on March 28, 1968 and, if so, on approximately what date is it expected that the English and French networks will commence operation?

[*Translation*]

Hon. Eric W. Kierans (Postmaster General): In so far as Telecommunications is concerned 1. The White Paper submitted by the Minister of Industry on March 28, 1968, clearly establishes the government's policy in that particular field. As for arrangements to provide television and communications service everywhere in Canada when the Canadian satellite is in operation, it is intended to provide these to the maximum but the final decision can only be made when a comprehensive study of the system has been completed.

2. The comprehensive study mentioned above will provide the government with the necessary information to give an adequate answer to this question, but a prime objective of the satellite system will be to extend TV and communications service to the North.

[*English*]

RETURNING OFFICERS, QUEBEC CONSTITUENCIES

Question No. 625—**Mr. Dumont:**

What are the names and addresses of the returning officers of the following constituencies: Beauce, Bellechasse, Lévis, Frontenac, Lotbinière, Richmond, Compton and Shefford and what amounts were paid to them by the government for their work in the years 1962 to 1968 inclusive?

Hon. Gérard Pelletier (Secretary of State): For the constituencies mentioned above, the following are the returning officers for: (1) The electoral district as established by the Representation Act of 1952. (2) The electoral district which retained the name of its predecessor but whose boundaries were redefined by the representation order of June 1966. (3) The electoral district created by the representation order of June 1966.

BEAUCE: (1) Roger Bolduc, 169 nord, 4e avenue, Saint-Georges-Est (P.Q.); 1962, $1,853; 1963, $2,551; 1964, nil; 1965, $2,730.50. (Resigned in Nov. 1966). (2) Gérard Côté, 147 est, 13e avenue, Saint-Georges (P.Q.); 1966, $100; 1967, $611.19; 1968, $2,786.99.

BELLECHASSE: (1) G. Labrecque, Saint-Raphaël (P.Q.); 1962, $1,600; 1963, $1,825;

1964, nil; 1965, $1,750; 1966, nil; 1967, nil; 1968, nil. (2) Albert Patry, Beaumont, (P.Q.); 1966, $100; 1967, $690. (2) Ovila Prévost, St-Charles-de-Bellechasse (P.Q.); 1966, $100; 1967, $2,353.86.

LÉVIS: (1) Julien Dumont, 96, rue Fraser, Lévis, (P.Q.); 1962, $1,619; 1963, $1,864.78; 1964, nil; 1965, $2,006.88; 1966, nil; 1967, nil; 1968, nil. (2) Evan B. Atkinson, 4, rue St-Félix, Lévis, (P.Q.); 1966, $100; 1967, $602; 1968, $2,781.18.

FRONTENAC: (3) Wilfrid Roy, St-Pierre-de Broughton (P.Q.); 1966, $100. Jos.-Luc Roy, 143, avenue Cartier, La Guadeloupe (P.Q.); 1967, $841; 1968, $2,397.90.

LOTBINIÈRE: (1) W. Desruisseaux, Sainte-Croix (P.Q.); 1962, $1,600; 1963, $1,700; 1964, nil; 1965, $1,750; 1966, nil; 1967, nil; 1968, nil. (2) Horace Bergeron, 99 est, rue Notre-Dame, Victoriaville (P.Q.); 1966, $75; 1967, $628; 1968, $2,646.53.

RICHMOND: (3) J.-Philippe Bourque, Chemin Richmond, Windsor (P.Q.); 1966, $100; 1967, $556; 1968, $2,197.20.

COMPTON: (3) Hervé Blouin, St-Isidore-d'Auckland (P.Q.); 1966, $75; 1967, $616; 1968, $2,518.12.

SHEFFORD: (1) Paul Langlois, 196, avenue du Parc, Granby (P.Q.); 1962, $1,744; 1963, $2,333.69; 1964, nil; 1965, $2,732.58; 1966, $50; 1967, $592; 1968, $2,489.30.

REGISTRATIONS FOR EMPLOYMENT BY STUDENTS

Question No. 631—**Mr. Orlikow:**

1. What number of High School and University Students were registered with Canada Manpower Offices for summer employment in the months of May, June, July, August, for the years 1966, 1967, 1968?

2. Of this number, how many were placed for employment and how many was the Department unable to place for employment in each of the above months for each of the above years?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Clients of Canada Manpower centres seeking temporary employment are serviced in order of registration. Students have not been identified in the past as a special group but rather as individuals who were entitled to the same service available to all clients. For these reasons statistics for 1966, 1967, 1968 on student registration at Canada Manpower centres have not been compiled separately and are not available as such.

2. For the same reasons mentioned above, the number of students placed for employment and the number the department was unable to place cannot be determined completely. Summer unemployment in the 14 to 24 age group, which had been at a low level in previous years, increased sharply in 1968. An intensive publicity campaign launched in late July, and increased effort by Canada Manpower centres produced a positive effect. A record of student placements was maintained separately from other placements of a temporary nature from July 25 to September 11, 1968. During this period 13,131 students were placed in employment.

BOOKLET "CANADIAN OPPORTUNITIES—HOUSING"

Question No. 688—**Mr. Nesbitt:**

Will the Minister of Manpower and Immigration inquire into a booklet published by his department and apparently distributed to prospective immigrants overseas, under the tile "Canadian Opportunities—Housing" in order to ascertain when the "Juliana Apartments" in Ottawa should have been singled out as a typical Canadian apartment dwelling and whether the owners are being charged for the free visual publicity provided by a full-page colour photo?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Yes. The building in question is not described as a typical Canadian apartment dwelling. Rather, in context with a variety of photographs in the pamphlet, it forms only one part of a pictorial description of the different varieties of accommodation available in Canada. None is described as "typical". The apartment building is not identified by its name or the city of its location, nor is this pamphlet distributed in Canada. Under these circumstances, therefore, it cannot be seen how the owners of the building are receiving free publicity.

STATUE OF SIR CHARLES TUPPER ON PARLIAMENT HILL

Question No. 704—**Mr. Coates:**

Is the government giving consideration to the erection of a statue of Sir Charles Tupper on Parliament Hill and, if so, when, and, if not, for what reason?

Hon. Gérard Pelletier (Secretary of State): The government does not have under consideration at this time extending the present sculpture project to include others who have at some time held the post of prime minister, including Sir Charles Tupper.

Questions

ELECTRICAL GRID SYSTEM, CANADA—U.S.

Question No. 708—**Mr. Coates:**

Have negotiations been initiated by the federal government with the Government of the United States regarding the establishment of a grid system for the transportation of electrical energy between Eastern Canada and the North-Eastern United States and, if so, what progress has been made in these negotiations?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): No.

[*English*]

REPORTS ON MINE DUMP FIRES

Question No. 710—**Mr. Coates:**

Has the federal government secured reports on mine dump fires that are available in the United States and, if so, what has been the conclusion of the reports in the elimination or containment of such fires?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): The mines branch, of the Department of Energy, Mines and Resources, reviews United States reports, principally by the United States bureau of mines, on mine dump fires, as they are published.

The conclusions vary, dependent on circumstances. The most successful control of mine dump fires has been experienced by the blanketing of the dumps with inert material to exclude air, or by water spraying.

ECONOMIC STUDY OF EASTERN TOWNSHIPS, QUEBEC

Question No. 728—**Mr. Beaudoin:**

Does the government propose to undertake a detailed study of the economic situation in the Eastern Townships to determine what could be done to assist them?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Not at this time.

[*English*]

MACLEAN HUNTER CABLE TV

Question No. 729—**Mr. Robinson:**

1. When did MacLean Hunter Cable TV Limited obtain a Canada Department of Transport Land Station License?

2. (a) In what areas of Canada is this license valid (b) where are the towers located in each case (c) what is the height of each of the towers (d) does the proximity of the towers to aircraft flight paths and airport facilities affect in any way the reception of TV programming?

[Mr. Pelletier.]

3. What authorization was required from the municipality concerned prior to the provision of CATV service?

4. Will Cable TV installation in any way affect the reception of TV signals for those who do not subscribe to the service?

5. What charge is made to subscribers for the Cable TV service provided by MacLean Hunter Cable TV Ltd., and/or MacLean Hunter Limited and/or Frederick T. Metcalfe and/or Toronto Cable TV?

6. Do regulations permit Cable TV service to be provided by use of public utilities such as (a) hydro facilities (b) telephone systems, and (c) any other public or private system?

7. Are Cable TV operators authorized to place their own equipment of poles and line to provide this service?

8. Is any consideration being given by the government to the introduction of legislation to provide that Cable TV be treated as a public utility in the manner of telephone service?

Hon. Paul Hellyer (Minister of Transport): 1. MacLean-Hunter Cable TV Limited obtained licences for land stations performing a commercial broadcasting receiving service on the following dates: 1. April 12, 1967; 2. August 11, 1967; 3. September 27, 1967; 4. November 9, 1967; 5. November 9, 1967; 6. December 28, 1967; 7. January 23, 1968; 8. January 23, 1968; 9. January 23, 1968; 10. January 23, 1968; 11. January 23, 1968; 12. January 23, 1968.

2(a) The licences issued were valid in the following areas: 1. Metropolitan Toronto including the township of Etobicoke, North York, East York, York and the township of Scarborough, the villages of Long Branch, Swansea and Forest Hill, the towns of Leaside, Weston, New Toronto and Mimico, Toronto Island and the city of Toronto and the township of Toronto, and a portion of the township of Pickering; 2. Metropolitan Winnipeg; 3. Welland, Port Colborne, Niagara Falls, Ontario and surrounding area; 4. Welland, Thorold, Port Colborne, Fort Erie, St. Catharines, Niagara Falls, Ontario and surrounding area; 5. Burlington, Freeman, Boyne, Omagh, Drumquin, Streetsville, Clarkson, Oakville, Ontario and surrounding area; 6. St. Catharines, Ontario; 7. Owen Sound and Meaford, Ontario and adjoining suburbs; 8. North Bay, Ontario and portions of Widdifield and West Ferris township; 9. Guelph, Ontario; 10. Collingwood, Ontario and surrounding area; 11. Midland, Penetanguishene and the intervening area; 12. Huntsville, Ontario.

2(b) Tower Locations					(c) Tower Height
1. Lat.	43°	45′	25″	North	200 feet
Long.	79°	24′	30″	West	
Lat.	43°	36′	05″	North	
Long.	79°	47′	50″	West	200 feet (this site replaced the above site)
2. Lat.	49°	40′	00″	North	60 feet
Long.	97°	10′	00″	West	
3. Lat.	42°	58′	12″	North	200 feet
Long.	79°	07′	36″	West	
4. Lat.	43°	04′	30″	North	
Long.	79°	10′	10″	West	200 feet
5. Lat.	43°	27′	00″	North	50 feet
Long.	79°	44′	30″	West	
6. Lat.	43°	07′	29″	North	72 feet
Long.	79°	14′	22″	West	
Lat.	43°	07′	35″	North	149 feet
Long.	79°	14′	20″	West	(this site replaces the above site)
7. Lat.	44°	33′	12″	North	200 feet
Long.	80°	45′	36″	West	
8. Lat.	46°	20′	15″	North	100 feet
Long.	79°	31′	22″	West	
9. Lat.	43°	35′	20″	North	60 feet
Long.	80°	13′	40″	West	
10. Lat.	44°	28′	35″	North	70 feet
Long.	80°	19′	45″	West	
11. Lat.	44°	43′	36″	North	60 feet
Long.	79°	55′	21″	West	
12. Lat.	45°	18′	50″	North	60 feet
Long.	79°	13′	12″	West	

2(d) The proximity of these towers to aircraft flight paths and airport facilities could possibly, under certain circumstances, affect television reception.

3. No authorization was required from the municipality concerned by the federal government prior to issuing the land station (CATV) licence since such a licence relates to a matter that is exclusively within the legislative jurisdiction of parliament. However the licence did not purport to prohibit the municipality concerned from requiring such authorization prior to the provision of CATV service that it had the power to require pursuant to competent provincial legislation.

4. No, under normal circumstances.

5. Unknown.

6. Regulations under the Radio Act do not impede cable TV service from being provided in the manners described.

7. This matter is under study for policy determination.

8. This matter is under study for policy determination.

CANADA PENSION PLAN INVESTMENT FUND

Question No. 738—**Mr. Nielsen:**

1. What was the balance of the Canada Pension Plan investment fund at March 31, 1968?

2. What was the amount of investments under the Canada Pension Plan held by each of the provinces and territories at March 31, 1968?

3. What was the total amount of Canada Pension Plan investment funds held by the federal, provincial and territorial governments at March 31, 1968?

4. What form did the investment of Canadian Pension Plan funds take at March 31, 1968 by (a) the federal government, and (b) each of the provincial and territorial governments?

5. Are Canada Pension Plan investment funds held by the provinces and territories available for investment in university or other educational capital and, if not, for what reason?

6. Are Canada Pension Plan investment funds including the returns on such funds, invested by the federal government eligible to be devoted to helping to meet capital costs in secondary education facilities, and, if not, for what reason?

Answer: 1. $1,280.8 million.

2.

Ontario	$ 728.6
British Columbia	186.1
Alberta	113.3
Manitoba	76.4
Saskatchewan	55.6
Nova Scotia	47.9
New Brunswick	37.0
Newfoundland	23.7
Prince Edward Island	4.3
Quebec	2.2
	$1,275.1

The province of Quebec has its own pension plan. The amount available to that province under the Canada Pension Plan relates only to some federal employees, such as armed services personnel, who are not included in the Quebec plan but who were brought into the Canada Pension Plan by special legislature during 1966.

The contributions attributable to the Yukon and Northwest Territories must, under the Canada Pension Plan Act, be taken up by the federal government.

3.

Provincial	$1,275.1
Federal	5.7
	$1,280.8

4. All securities held by the fund are special non-marketable securities with a term of 20 years and bear interest at rates equivalent at the time of purchase, to the average yield

to maturity on all negotiable bonds of the government of Canada, having a term to maturity of 20 years or more.

5. The use of the funds invested by the Canada Pension Plan investment fund in provincial securities is a matter for each province.

6. The funds made available through the Canada Pension Plan investment funds to the federal government are used for general purposes of the government of Canada.

WINTER WORKS PROJECTS, PORTNEUF CONSTITUENCY

Question No. 740—**Mr. Godin:**

While the winter works program was in effect, how much was granted to each of the parishes and towns in the present constituency of Portneuf?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration):

Municipality	Federal Contributions 1958-59 to Nov. 21, 1968 (some claims outstanding)
Bélair	$107,109.48
Cap Santé	3,640.31
Charlesbourg Ouest	26,144.67
Donnacona	76,846.93
Duberger	36,322.35
Fossambault sur le Lac	2,428.53
Lac Sergent	8,640.30
Lac St. Charles	146,751.66
L'Ancienne Lorette	36,507.55
Les Saules	107,724.98
Loretteville	214,956.36
Neufchâtel	107,541.11
Neuville	1,745.79
Notre Dame des Laurentides	36,043.97
Notre Dame de Lorette	188,845.25
Pointe-aux-Trembles	30,768.62
Rivière-à-Pierre	13,607.32
St. Augustin de Desmaures	15,490.45
Ste Catherine	73,814.75
St. Emile	177,233.19
St. Gabriel de Valcartier	7,691.49
St. Gabriel Ouest	42,038.17
St. Léonard de Portneuf	2,089.05
Shannon	32,050.10
Stoneham and Tewkesbury	3,988.93
Val St. Michel	54,173.20

[Mr. Nielsen.]

[*English*]

REPORT ON REGIONAL AIRPORT, VICTORIAVILLE, QUE.

Question No. 748—**Mr. Fortin:**

When will the report of the study group considering the possibility of building a regional airport at Victoriaville be tabled?

Hon. Paul Hellyer (Minister of Transport): Economic and engineering studies have been authorized to determine an airport design and cost to ascertain if federal assistance to the city of Victoriaville for the development of a local airport would be justified. These studies were initiated at the request of the municipalities of Victoriaville, Plessisville, Arthabaska, Daveluyville, Princeville and Warwick, which have accepted the conditions under which federal assistance for airport development may be provided.

The engineering study will not be completed until next summer and there are no plans now to table the reports when completed.

PRESS RELEASES, TREASURY BOARD

Question No. 749—**Mr. Howard (Skeena):**

1. Do the government services presided over by the President of the Treasury Board 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. C. M. Drury (President of the Treasury Board): Insofar as the Treasury Board secretariat is concerned: 1. Yes; 15.

2. (a) $29.07; (b) $98.44; (c) $586.03; (d) $96.47; (e) $152.66.

3. (a) 40M, no. 7 Bond; (b) 45,500 sheets; cost $193.38.

4. 75 (estimated).

PRODUCTION DELAY, DEUTERIUM OF CANADA

Question No. 758—**Mr. Harries:**

1. When the first contract between Atomic Energy of Canada Limited and Deuterium of Canada Limited was made on February 27, 1964, what was the approximate date when it was expected that the heavy water plant to be built by the latter company would be in production?

2. Has the expectation stated by Deuterium of Canada Limited and reported in *Hansard* on November 8, 1967, that production would begin in March, 1968, been borne out in fact?

3. If not, what is the present expectation as to when production will begin?

4. What is the estimate of the cost of the heavy water that was purchased from abroad between July 31, 1966 and June 30, 1968?

5. With reference to the delivery schedule referred to in *Hansard* on January 22, 1968, when do each of the reductions in the prices to be paid to Deuterium of Canada Limited become effective?

6. Has Atomic Energy of Canada Limited or the appropriate Minister protested to the owners of the company about the two-year delay in the beginning of production?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited advises as follows:
1. 1 July, 1966.

2. No.

3. 1 January, 1969.

4. $29.3 million.

5. 1st reduction, 1 April, 1972; 2nd reduction, 1 October, 1974; 3rd reduction, 1 October, 1979; 4th reduction, 1 April, 1982.

6. Yes.

JAPANESE PRODUCTION OF MEAT FROM WHEAT

Question No. 785—**Mr. Southam:**

What action is the government taking with a view to stepping up wheat sales to Japan in light of the recent announcement by the Japanese Nisshin Flour Milling Company that it would soon start a full-scale production of artificial meat from wheat, starting off with an initial 150 tons of synthetic meat per month.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Nisshin Flour Milling Company indicate that their project to produce a meat substitute from wheat is still in the experimental stage. They expect to have a pilot plant in operation next spring. The Department of Industry, the Department of Trade and Commerce and the Canadian Wheat Board are keeping in close contact with this development with a view to future wheat sales.

IMMIGRATION FROM WEST INDIES

Question No. 795—**Mr. Nielsen:**

1. Has the attention of the Minister of Manpower and Immigration been drawn to a statement on November 7, 1968, by the Attorney General of Jamaica, that Canada's immigration policy is "wicked and disgraceful" in the sense that requirements as to skill are being utilized to practise "colour discrimination"?

2. What criteria are applied to qualify Jamaican immigrants to Canada?

3. What was the total number of applications for immigrant status in Canada emanating from residents of Jamaica, Barbados, Trinidad, Bahamas and all other islands of the West Indies geographical group in 1967-68 and of the total number of applications from residents of the West Indies in 1967-68 (a) how many were granted approval for landed immigrant status (b) how many were rejected and, of those rejected, how many were coloured, in the sense of having black skins?

4. How many were skilled and how many were unskilled?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Yes. However, the Attorney General, according to subsequent news reports, has indicated that his earlier statement was misinterpreted inasmuch as he had actually been referring to a situation which existed some eleven years ago rather than today.

2. Canada's immigration policy is universal in application and free from any reference to race, ethnic origin, nationality or religion. Therefore, the criteria applied in the selection of immigrants from Jamaica, are exactly the same as those applied everywhere else in the world.

3. During the period January 1, 1967 to September 30, 1968, immigrant applications for admission to Canada were received on behalf of 46,083 residents of the West Indies. Of this number (a) 12,496 were approved and (b) 24,999 were refused. Because of the completely non-discriminatory nature of Canadian immigration policy, no information whatever is sought or recorded to reflect an immigrant's racial or ethnic origin.

4. Former residents of the West Indies who were granted landed immigrant status in Canada during 1967 and the first nine months of 1968 had the following occupational qualifications.

Occupational Qualifications	1967	1968 (to Sept. 30)
Managerial	85	27
Professional and technical	1153	697
Clerical	1406	860
Transportation trades	28	33
Communication trades	30	18
Commercial and financial sales workers	100	75
Service and recreation workers	1364	687
Farmers	18	26
Miners	4	2
Construction trades	281	175
Manufacturing and mechanical trades	948	633
Labourers	181	33
Not Stated	203	7
Non-workers	2602	2011
Total immigration	8403	5284

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FIRE DEPARTMENT, POINT EDWARD, N.S.

Question No. 798—**Mr. Muir (Cape Breton-The Sydneys):**

1. How many members comprise the Fire Department maintained by the Department of Transport at Point Edward, Cape Breton County, Nova Scotia?

2. What are the names, addresses and ranks and length of service of each member of the present fire fighting force at Point Edward?

3. Is it the intention of the Department of Transport to maintain this fire fighting force at the present strength and, if not, for what reason?

4. Will such Fire Department be maintained at the present location and, if not, for what reason?

Hon. Paul Hellyer (Minister of Transport):

1. 24 members.

Name	Address	Rank	Length of Service Effective From
Allison G. A.	37 Clyde Ave., Sydney River	FRI	March 2nd 1951
Andrews L. G.	R.R. No. 1, North Sydney	FRI	August 2nd 1954
Aucoin S.	1157 Westmount Rd., Sydney	FR2	May 9th 1946
Beaton D. M.	14 Bay St. Glace Bay	FRI	December 28th 1966
Bennet J. M.	257 South St., Glace Bay	FRI	January 30th 1949
Blinkhorn J. F.	5 Macheon St., Sydney	FRI	November 16th 1953
Calvert J. S.	4 Bay St., Glace Bay	FRI	December 28th 1966
Conrad R. J.	102 Byron St., Sydney	FRI	February 18th 1967
Clarke G. H.	R.R. No. 1, North Sydney	FRI	April 1st 1965
Evans R. F.	290 Keltic Dr., Sydney River	FRI	June 9th 1955
Finlayson G.	47 Official Row, Reserve	FRI	December 28th 1966
MacIntyre J. V.	29 Graham St., Glace Bay	FRI	August 26th 1951
MacIsaac D. S.	52 Guy St., Sydney Mines	FRI	April 1st 1948
MacCormack D. J.	989 Westmount Rd., Sydney	FR2	May 9th 1946
Morrison D.	61 Braemore Rd., Westmount	FRI	July 1st 1966
Nelson C. A. C.	554 Kings Rd., Sydney	FRI	February 27th 1967
Roberts J. A.	Tower Rd., Glace Bay	FRI	December 28th 1966
Ross E. D.	R.R. No. 1 Millville, Bras-d'Or	FRI	September 1st 1950
Sheppard T. J.	R.R. No. 1, North Sydney	FR2	May 15th 1945
Steele C. F.	25 Seaforth Dr., Sydney River	FRI	October 10th 1952
Tellum G.	1041 Westmount Rd., Sydney	FR4	September 4th 1946
Tredwell F.	38 International St. Glace Bay	FRI	January 16th 1967
Wadden J. A.	R.R. No. 1, Glace Bay	FRI	December 28th 1966
Wade W. P.	23 Roselle St., Sydney River	FR2	June 4th 1954

3. Yes.

4. Yes, as long as the location is a Department of Transport responsibility.

RUNWAY CONSTRUCTION, ROUYN-NORANDA AIRPORT

Question No. 800—**Mr. Caouette:**

Does the Department of Transport intend to reconstruct the runway at the Rouyn-Noranda airport and, if so, when does it intend to carry out this work?

Hon. Paul Hellyer (Minister of Transport): 1. Yes. During fiscal year 1969-70.

WORKS UNDER SECTION 92, B.N.A. ACT

Question No. 806—**Mr. Caouette:**

Does the Minister of Justice intend to keep, in the future, a list of the works which have been declared to be to the general advantage of Canada within the meaning of Section 92 of the BNA Act?

[*Translation*]

Hon. John N. Turner (Minister of Justice): No. However to the extent that the text of the statutes are electronically stored in machine readable language upon the Revision of the statutes, information of this type will be obtainable by computer search.

[*English*]

METHOD OF FILLING HARBOURS BOARD VACANCIES

Question No. 809—**Mr. Caouette:**

When filling vacancies within the National Harbours Board what criteria does the government use to ensure that the whole region is represented and what other pertinent factors must it consider?

Hon. Paul Hellyer (Minister of Transport): Appropriate considerations of broad regional representation as well as other relevant factors are taken into consideration when filling vacancies on the board.

INTERNATIONAL AIRPORT, QUEBEC

Question No. 824—**Mr. Fortin:**

1. Has the Department of Transport, on behalf of the government, set any final date for a decision regarding the development of an international airport in the Province of Quebec in the near future and, if so, what is the date set?

2. What sites have been studied by the Department's experts?

3. Of the sites proposed, have any been eliminated so far and, if so, what were the reasons for such elimination in each case?

4. What are the criteria set by the Department's experts for the development of an international airport?

Hon. Paul Hellyer (Minister of Transport): 1. Discussions with the province of Quebec are still in progress. It is hoped that a site decision will be announced very early in the new year.

2. A very large region, defined by the Laurentian mountains in the north, the Quebec-Ontario provincial line to the west, the Quebec-United States border to the south and a line approximately 70 miles to the east of Montreal, was carefully examined and some 20 possible sites were identified.

3. At present, 17 of those sites identified have been eliminated because they were judged to be less favourable than the remaining three when all criteria were considered. As discussions with the province are still in progress, the specific locations of these sites must remain confidential to preclude land speculation.

4. The location of a new airport is subject to many complex and interrelated criteria. Some of the major criteria are: (a) Air space utilisation; (b) Noise in relation to urban areas; (c) Accessibility; (d) Distribution of users; (e) Relationship to Dorval airport; (f) Cost and availability of land; (g) Topography; (h) Soil condition; (i) Meteorology.

PRESS RELEASES, NATIONAL REVENUE DEPARTMENT

Question No. 826—**Mr. Howard (Skeena):**

1. Does the Department of National Revenue 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. Eric W. Kierans (Acting Minister of National Revenue): 1. The Department of National Revenue, taxation, issues press releases and information bulletins. Since July 1, 1968, eight press releases and four information bulletins were issued.

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2. The cost of (a) printing headings or cover sheets was $94.50; (b) typing and proof-reading was $22.44; (c) duplicating (offset press) was $195.86; (d) collating and stapling was $87.00; (e) addressing and mailing was $14.75.

3. The paper used for the said documents was (a) quality No. 7 bond, white 40M 8"x13" plain for press releases and 8½"x 11" circular for information bulletins; (b) quantity—for eight press releases 1,625 pages at $3.30 M—$5.36 and for four information bulletins 41,900 pages at $2.51 M—$105.17.

4. The estimated number of man-hours consumed in:

Preparation		441
Production		
Printing headings	3	
Typing and proof-reading	8¼	
Duplicating	8½	
Collating and stapling	23½	43¼
Distribution		5

Note:—Information bulletins are also reproduced in miniature from the *Canada Gazette* for business houses, banks and the public, the number being dependent on anticipated demand. #42 Bulletin (20 Oct. 68), 2,000 at $12.00M, $24.00; #43 Bulletin (31 Oct. 68), 12,000 at $4.50M, $54.00; #44 Bulletin (1 Nov. 68), 2,000 at $12.00M, $24.00; #1 (2nd Rev.) (4 Nov. 68), 2,000 at $12.00M, $24.00.

TAXATION ON ASBESTOS MINES

Question No. 828—**Mr. Dumont:**

1. What is the total amount of taxes derived from asbestos mines in Canada by the Canadian Treasury?

2. What is the total amount of taxes derived from the mines at Coleraine, Black Lake, Thetford Mines and East Broughton?

Hon. Eric W. Kierans (Acting Minister of National Revenue):

For Taxation Division

1. The total amount of federal income taxes derived from asbestos mines in Canada during 1966 was approximately $12 million.

2. Of the foregoing amount of $12 million, approximately $3.5 million of federal income taxes were derived from the mines at Coleraine, Black Lake, Thetford Mines and East Broughton.

For Customs and Excise

1. As practically all asbestos produced by mines in Canada is either exported or sold for further processing in Canada the sales tax collected is relatively small. During the first nine months of 1968 the total sales tax collected from all asbestos mines in Canada amounted to $1,855.07.

2. The sales tax collected from mines at Coleraine, Black Lake, Thetford Mines and East Broughton during the first nine months of 1968 amounted to $1,316.67.

CANADIAN PAVILION, JAPANESE WORLD FAIR

Question No. 834—**Mr. Crouse:**

1. Is it the intention of the Canadian Government to provide a pavilion at the forthcoming Worlds Fair in Japan?

2. If so, what is the intended cost of this pavilion?

3. Has a contract been awarded for its construction?

4. Were public tenders called, and, if not, for what reason?

5. If public tenders were called, what are the names of the firms who submitted tenders, and the amounts of each tender?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Yes.

2. $2,070,542.

3. Yes.

4. The basic structure of the Canadian pavilion at Expo 70 consists of glue-laminated Douglas fir beams of abnormal size. Public tenders for the provision of materials were not called because: (a) The ability to supply these beams within the time schedule was confined to specialist British Columbia firms. Three firms were invited to tender and the contract was awarded to the lowest bidder; (b) Time and economic factors on an accompanying order of western lumber restricted tendering to British Columbia firms. Four firms were invited to tender and one submitted a bid. This firm was awarded the contract.

In Japan it is normal practice to invite only a restricted number of building contractors to tender on a construction project. For construction work at the 1970 world exposition, contractors must be registered by the Osaka prefectural office or the Japanese government and in addition must be approved by the Japan Association for the 1970 world exposition. Because of the structural complexity of the Canadian pavilion the seven largest building construction firms in Japan were invited to tender. The contract was awarded to the lowest bidder.

5. See answer to part 4. Bidders which did submit tenders are the following: Glue Laminated Beams: Glulam Products Ltd., New Westminster, B.C., $171,278; Amfab Products Ltd., Burnaby, B.C., $201,186; T.P.L. Industries Ltd., New Westminster, B.C., $207,482. Lumber: Glulam Products Ltd., New Westminster, B.C., $122,853; Facon Timber Sales Ltd., Vancouver, B.C., No bid; MacMillan Bloedel Ltd., Vancouver, B.C., No bid; Seaboard Lumber Sales, Vancouver, B.C., No bid. Construction: Taisei Construction Co., Ltd., Tokyo, $2,340,000; Fujita General Construction Co., Ltd., Tokyo, $2,430,000; Obayashi Gumi Construction Co., Ltd., Japan, $2,520,000; Takenaka Construction Co., Ltd., Japan, $2,550,000; Kajima Construction Co., Ltd., Japan, $2,552,000; Shimizu Construction Co., Ltd., Japan, $2,565,000; Toda Construction Co., Ltd., Tokyo, $2,571,000.

Note: The Taisei tender was subsequently negotiated downward to $2,055,000. This figure includes $307,654 for some exhibit construction which should be subtracted from the $2,055,000 to produce, along with the Glulam beams and lumber costs of $323,196, a total pavilion construction cost of $2,070,542. Contracts were awarded to Glulam Products Ltd. and Taisei Construction Co., Ltd.

CANADIAN HORTICULTURAL COUNCIL

Question No. 843—**Mr. Fortin:**

1. What is the annual grant made by the federal government to the Canadian Horticultural Council?

2. What role does the Canadian Horticultural Council play?

3. Does this Council report to the government on the use of its subsidies?

4. How many French-speaking, English-speaking and bilingual persons are employed by the Council?

Hon. H. A. Olson (Minister of Agriculture): 1. $8,400.

2. The Canadian Horticultural Council performs the role of bringing together nationally the views of fresh fruit and vegetable producers and allied interests. It is not a federal government body but an autonomous group which includes among its members: florists, nurserymen, beekeepers, fruit wholesalers, food processors, mushroom producers, potato chip manufacturers and the Canadian Wine Institute. As well, the provincial departments of agriculture are members and there are associate members from allied industries.

3. Not in detail—although the financial statement is made available.

4. In as much as the council is not a public service agency, this information is not available.

DAM CONSTRUCTION UNDER P.F.R.A.

Question No. 846—**Mr. Dinsdale:**

1. Have any changes been made in the operations of the Prairie Farm Rehabilitation Act?

2. If so, what is the nature of these changes?

3. Under the Act does Ottawa still have sole responsibility for dam construction?

4. What dams will be constructed during 1969?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. No.

2. N/A.

3. Yes.

4. New projects are under study but final decisions not yet made.

RURAL MAIL ROUTE TENDERS, STELLARTON, N.S.

Question No. 847—**Mr. MacEwan:**

1. What were the names of the tenderers and the amounts of the various tenders for the R.R. 1, Stellarton, N.S. mail route?

2. Has the contract been awarded and, if so, to whom and, if not, when can a decision and an award be expected in this regard?

Hon. Eric W. Kierans (Postmaster General): 1. John George Reid, R.R. No. 1, Stellarton, $1,450.00; Mrs. F. Neil Horne, R.R. No. 1, Stellarton, $1,850.00; Ralph Oliver Green, Stellarton, $1,914.00; Walter Keith Greene, R.R. No. 1, Stellarton, $1,920.00; James Boyd MacKay, R.R. No. 1, Stellarton, $2,500.00.

2. No. The contract will be awarded to the lowest tenderer, who upon investigation, can give sufficient assurance of being able to perform the service in a satisfactory manner.

DISCHARGE FROM ARMED FORCES OF YVON LANDRY

Question No. 850—**Mr. Howard (Skeena):**

1. Was one Yvon Landry, former Sergeant in the R.C.A.F. at Bagotville, Quebec, discharged from the Armed Forces and, if so, upon what date and for what reason?

2. If Mr. Landry was discharged for medical reasons, is he (a) eligible for and (b) in receipt of a pension?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Yes, 1

July 1967, under the provisions of QR&O Article 15.01 item 3(a), "On Medical Grounds".

2. (a) Yes. (b) Yes.

*RESEARCH INTO PERENNIAL HIGH YIELD WHEAT

Question No. 856—**Mr. Mazankowski:**

1. Is there any research being conducted in Canada, comparable to the recent development in Russia, of a perennial high yielding wheat, which will meet out milling requirements in this country?

2. Has the Department of Agriculture endeavoured to acquire any information concerning the development of Russia's perennial high yielding wheat and, if so, what is the evaluation of this information by the Department?

[*Translation*]

Mr. Florian Côté (Parliamentary Secretary to Minister of Agriculture): 1. No research on perennial wheat is being carried out at present by the Department of Agriculture. Some years ago research was conducted on perennial wheats. The results led to the conclusion that these wheats did not compare favorably with annual wheats for yield and milling quality and would not be of any advantage to Canadian producers.

2. Research officers of the department have kept informed of the work being done with perennial wheats in Russia. Their evaluation is that these perennial wheats are not competitive with annual wheats currently available.

[*English*]

OUT-PATIENT DEPARTMENT, CAMP HILL HOSPITAL

Question No. 858—**Mr. Coates:**

1. Is the Out-Patient Department at Camp Hill Hospital to be closed on weekends and statutory holidays after November 30 and, if so, for what reasons?

2. Will the closing of this Out-patient Department interfere with the admission of seriously ill veterans referred to that Department by their own doctors and physicians?

3. How many veterans have taken advantage of out-patient services on weekends and statutory holidays to date in 1968 and of that number how many were required to be admitted to Camp Hill Hospital as a result of the examination they received at the Out-patient Department?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. Yes, experience has shown that because of the small number of veterans reporting to that outpatient clinic on week ends and statutory holidays, it would be wasteful to man fully this clinic during these periods.

2. No; such cases will be taken care of by the duty medical officer at the hospital.

3. 132 veterans of whom 52 (about one patient a week) were admitted to hospital during these periods.

AGRICULTURAL LOANS, QUEBEC

Question No. 862—**Mr. Caouette:**

1. What is the total amount of agricultural loans granted by the government each year since 1963 (a) in the Province of Quebec (b) in the constituency of Témiscamingue?

2. What is the average amount of these loans?

3. How many have been refused for each of these years?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises that statistics are not maintained on a constituency basis. However, for the province of Quebec and the municipal county of Témiscamingue, the answer is:

	1. Total Amount		2. Average Amount		3. No. Loans Refused	
Fiscal Years	(a) Quebec	(b) Témiscamingue	(a) Quebec	(b) Témiscamingue	(a) Quebec	(b) Témiscamingue
	$	$	$	$		
1963–64	14,710,400	225,900	12,000	11,300	305	4
1964–65	20,326,500	167,700	15,000	10,500	320	2
1965–66	18,987,200	113,100	16,600	14,200	276	4
1966–67	25,941,200	117,200	17,000	16,800	278	1
1967–68	25,668,800	92,200	18,300	15,300	331	2
1968–69 (to Nov. 30/68)	22,333,300	72,000	19,300	14,400	295	2

INCOME TAX ON SINGLE PERSON

Question No. 866—**Mr. Caouette:**

How much income tax has the average, single wage earner paid over the past five years?

[Mr. Groos.]

Hon. Eric W. Kierans (Acting Minister of National Revenue): This information is not available in the form requested.

TORONTO AIRPORT

Question No. 870—**Mr. Robinson:**

Is the government considering the sale of Toronto international airport at Malton and, if so, would such funds be used to establish another airport sufficiently distant from Toronto so as to reduce noise and pollution caused by aircraft?

Hon. Paul Hellyer (Minister of Transport): The government of Canada does not have under consideration the sale of Toronto international airport (Malton).

PREVAILING RATES WORKERS, CORNWALLIS, N.S.

Question No. 888—**Mr. Comeau:**

1. What is the present number of day staff (prevailing rates workers) employed at Cornwallis, N.S.?

2. Has any reduction occurred within the past two years and is a further reduction anticipated?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. 128.

2. No.

EMPLOYMENT OF COAL MINERS

Question No. 889—**Mr. Harding:**

How many coal miners were employed in each province for each of the last five fiscal years?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: The average number of employees in coal mines, in each province, for the past five calendar years, is given in the attached table. This information is only available on a calendar year basis.

AVERAGE NUMBER OF EMPLOYEES IN COAL MINES

Calendar Year	Nova Scotia	New Brunswick	Saskatchewan	Alberta	British Columbia	Yukon	Canada
1963	6,063	820	196	1,159	657	8	8,903
1964	6,217	836	193	1,194	638	9	9,087
1965	6,277	824	201	1,186	579	9	9,076
1966	5,875	789	195	1,140	559	6	8,564
1967	5,703	715	166	1,126	514	3	8,227

MILITARY AND CIVILIAN PERSONNEL, GAGETOWN BASE

Question No. 890—**Mr. MacRae:**

What has been the number of military personnel and the number of civilian personnel at Canadian Forces Base Gagetown on June 30 of each year since this Base was established?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence):

	Military Personnel	Civilian Personnel
1955	6,810	385
1956	8,448	433
1957	7,601	696
1958	5,255	713
1959	6,662	825
1960	3,883	880
1961	4,328	960
1962	4,439	1,028
1963	4,532	947
1964	4,461	1,128
1965	4,122	1,058
1966	3,860	994
1967	4,381	891
1968	4,376	768

INTEREST ON BORROWINGS FROM PENSION PLAN FUND

Question No. 895—**Mr. Simpson:**

What rate of interest is being charged provincial governments to borrow from the Canada Pension Plan fund?

Hon. E. J. Benson (Minister of Finance): All securities held by the fund are special non-marketable securities with a term of 20 years and bear interest at rates equivalent at the time of purchase, to the average yield to maturity on all negotiable bonds of the government of Canada having a term to maturity of 20 years or more. For instance, on securities being purchased by the Canada Pension Fund with funds available in November 1968 the rate of interest is 6.76 per cent.

ADDITIONAL TAX APPEAL OFFICE, ATLANTIC REGION

Question No. 902—**Mr. Fairweather:**

What plans has the Department of National Revenue to set up a 5th regional tax appeal office in either Saint John or Halifax to serve taxpayers in the Atlantic Provinces?

Hon. Eric W. Kierans (Acting Minister of National Revenue): The department has no such plans at present.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PERSONNEL OF MINISTERS' OFFICES

Question No. 276—**Mr. Ritchie:**

By Ministries, including the Prime Minister's Office (a) what is the strength of the staff of the respective ministerial offices (b) what are the names, effective date of appointment, salary, nature of appointment, respectively of each Executive Assistant, Special Assistant, Private and Assistant Private Secretary, hired under authority of Treasury Board Minute?

Return tabled.

MOTOR VEHICLES FOR CABINET MEMBERS

Question No. 321—**Mr. Coates:**

1. Do the Prime Minister and Cabinet Ministers receive a car allowance and, if so, what is the amount of that allowance?

2. Has the Prime Minister and have any or all of the Cabinet Ministers had motor vehicles with drivers provided for their personal use and, if so, by whom and who assumes responsibility for payment of the service provided and what is the amount of payment?

3. Which of the Cabinet Ministers, besides the Prime Minister, are provided with a motor vehicle and driver, what is the type of motor vehicle provided and on what basis was the selection of Cabinet Ministers decided upon for this special consideration?

Return tabled.

AMENDMENT OF EXPROPRIATION LAWS

Question No. 660—**Mr. Fortin:**

1. Does the government intend to set up a committee to amend Canadian expropriation laws and, if so, when will this committee be constituted?

2. How many expropriations are now in progress and have been going on for one year, two years or three years or more?

3. When will such an expropriation bill be presented to the House?

Return tabled.

URBAN RENEWAL SCHEMES

Question No. 698—**Mr. Robinson:**

1. Is the government involved in any urban renewal schemes at the present time and, if so, where and how much money has been paid and/or will be paid in these schemes as the government's share?

2. What urban renewal schemes are seeking government funds at the present time, where are they located, what is the total cost involved and what is the government contribution to be made?

3. How much money has the federal government paid for urban renewal projects, where are the projects located, when were they commenced and when were they or will be completed?

Return tabled.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I draw the attention of the house to an unseemly delay in the reply to starred question No. 761. It was presumed that starred questions would be answered within three days. This question has to do with protests from the mayor and other citizens of Rock Island, Quebec, against the construction of a new post office. I think this is the first time in many years that any group within a municipality has protested against government expenditures. This is the first time a municipality has been forced to accept those expenditures regardless of their feeling. I do not know whether that is the reason for the delay, but certainly you would not think it would take such a long time to answer a question as simple as this one.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps I could deal with this matter. As you may notice, the question is not addressed to any single minister but to the entire government. Therefore to obtain a comprehensive answer to the question it is necessary to seek advice from all departments of government as to whether they received notice of the protest.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): In any event, if the question had been drafted better the answer could have been forthcoming earlier.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): But I point out that, as with the question with respect to the Centennial Medal which had to be answered at such heavy expense today, it does take time to answer some of these questions.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The hon. member will identify himself even to the Prime Minister if he keeps on like that. Unless there is no communication between government departments, there should be no difficulty in these questions.

Mr. McIlraith: You need a better draftsman.

Mr. Lorne Nystrom (Yorkton-Melville): May I ask the President of the Privy Council when we can expect a reply to starred question No. 185, which was put on the order paper on September 19. It is of the utmost importance economically to Melville.

Mr. Macdonald (Rosedale): Mr. Speaker, I shall be glad to look into the matter and see why the question has not been answered. We are waiting to see the right hon. member for Prince Albert identify himself with the Leader of the Opposition.

DOMINION-PROVINCIAL CONFERENCE

RELEASE OF FEDERAL POSITION PAPERS ON CONSTITUTION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder if the Prime Minister has any further information in response to the question I asked him last week respecting the release of working papers and propositions of the federal government prior to the federal-provincial conference?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. After the meetings of federal and provincial officials last week it was decided that the federal government would be in a position to release its working papers, or, more precisely, its positions on the constitution on the Friday afternoon preceding the conference; that would be the coming Friday at three o'clock in the afternoon. So far as the provinces are concerned my understanding is that some will release and some may not, but they are advised of our position.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. In view of the importance of the matter when it was raised during the last federal-provincial conference on the constitution, will the Prime Minister indicate whether there will be a full discussion of the question of regional disparities, and whether that question will be raised in relation to possible changes in the constitution?

Mr. Trudeau: The subject of regional disparities is on the agenda we have suggested to the provinces. We have had answers now from most of the provinces. I feel that within a day or two at most we will be in a position to make a firm decision. Perhaps we will make that agenda public, if such is the desire.

Inquiries of the Ministry

AIR CANADA

PRESS RELEASE RESPECTING SALE OF WINNIPEG MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Prime Minister and relates to the government's announcement that it is authorizing Air Canada to sell its overhaul and maintenance base at Winnipeg. Since this is the question period I cannot throw in any comments I should like to make; probably just as well. May I ask the Prime Minister whether the press release, or whatever statement was made in connection with this matter, can be tabled or even made an appendix to *Votes and Proceedings,* so we can have as a matter of record the guarantees which I understand the government has given to Air Canada's Winnipeg employees.

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, if it is the will of the house we have no objection to tabling such a press release. I will get it later in the day, and with the permission of the house table an official copy of that press release; or that might be done presently.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when it is tabled could it be agreed that it be made an appendix to today's *Votes and Proceedings?*

Mr. Speaker: Is that agreed?

Mr. G. W. Baldwin (Peace River): Mr. Speaker, will the house have some knowledge of the contents of the document in advance of the tabling? Agreeing to the tabling in advance of knowing the contents is quite another thing.

Mr. Speaker: I must conclude there is no agreement at the moment. Perhaps the matter might be considered later.

Mr. Baldwin: Yes, Mr. Speaker.

[*Later:*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether he has obtained a copy of the press release regarding the Winnipeg Air Canada base so it could now be tabled? Whether or not he has obtained it as yet, I believe the hon. member for Peace River would now agree to its being made an appendix to today's *Votes and Proceedings.*

Mr. Baldwin: It is agreed.

Some hon. Members: Agreed.

Inquiries of the Ministry

CRIMINAL CODE

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Minister of Justice a question. Does the minister intend to bring in the omnibus Criminal Code bill before Christmas so it can be a Christmas present to be studied by the Canadian people?

Hon. John N. Turner (Minister of Justice): I hope so, Mr. Speaker. The redrafting of the bill is currently before the cabinet. If I can obtain the consent of the other parties in the house, which I understand I may be able to obtain, to bypass the resolution relating to one small section in connection with the number of members on the parole board, there is a good chance, if my colleagues will agree, that I shall have the bill available to hon. members before the adjournment.

Mr. Woolliams: A supplementary question, Mr. Speaker. From what the Minister of Justice has said I take it that except for one small part of the bill which deals with the parole board it will not be necessary to bring in a resolution. The bill would come in at first reading. Is that the proposition?

Mr. Turner (Ottawa-Carleton): That is my understanding, sir, yes.

Mr. John Gilbert (Broadview): A supplementary question, Mr. Speaker. Does the government intend to include in the omnibus bill to amend the Criminal Code a measure abolishing corporal punishment?

Mr. Turner (Ottawa-Carleton): Not in this particular bill, sir.

GRAIN

USE OF DRYING FACILITIES AT LAKEHEAD ELEVATORS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): In the absence of the Minister of Industry, Trade and Commerce, the Minister of Agriculture and the Minister without Portfolio from Saskatchewan, I wish to direct a question to the Prime Minister. Has the question of grain drying at the lakehead terminals been resolved on a 24-hour, seven day basis, or is drying still being carried out on a six day basis?

[Mr. Baldwin.]

Right Hon. P.-E. Trudeau (Prime Minister): I have the impression that this matter has been discussed at some length in the house, but I will gladly refer it to the ministers involved.

Mr. Korchinski: On a question of privilege, on November 27 Your Honour, in disallowing a motion that this entire subject be debated, ruled that the wheat situation was a continuing emergency. This being so, the other day I asked that the Prime Minister should have at least one minister available to answer questions concerning this problem, for every day on which plant is idle at the lakehead, 260,000 bushels are left undried. Mr. Speaker, we have now lost one and a half months, during which something like 25 million bushels could have been dried at the lakehead.

This question has still not been resolved, and I have no opportunity to ask the ministers directly concerned what is being done about it. Moreover, neither the Minister of Transport nor the Minister without Portfolio, who answers questions in connection with the transport of wheat, is available for questioning. I believe it to be my duty to raise questions on this pressing matter on any opportunity which presents itself. I am sure the Prime Minister can revise the roster and see that one responsible minister is here so that hon. members may receive a reply more satisfactory than an undertaking to refer the questions raised to the appropriate minister provided he is available. Mr. Speaker, he should be available on all occasions, because this problem has been with us for a long time. I suggest I have every right to stand up each day in the house and ask questions which I believe to be extremely pressing and important.

Mr. Trudeau: On the point of order, Mr. Speaker, no one disputes the right of the hon. member to ask questions every day, or every hour on the hour if he wishes to do so. The important issue is not whether he can ask questions but whether the problem itself will be solved, and we are trying to work out a system whereby ministers will have time in which to solve problems and not merely be present in the house to answer questions which have been asked a hundred times before.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Prince Albert): The right of members to ask questions carries with it as a corollary the right at least to expect an answer concerning matters

as serious as the wheat situation on the prairies. At a time when western Canada is in so serious a condition that in November retail sales in the province of Saskatchewan declined by $15 million, over the year 1967, I ask the Prime Minister whether, having regard to the absence of all these ministers, he is not in a position to have one of his colleagues here who is qualified to answer in respect of the very important matter raised by my hon. friend from Mackenzie.

Mr. Trudeau: I have indicated that if the opposition parties would prefer us to rearrange this attendance list in a way which is more convenient, with some ministers present on certain days and others on other days, their absences alternated, we would be happy to do so.

Mr. Eldon M. Woolliams (Calgary North): The Prime Minister has indicated in his statement that the ministers are in their offices studying this matter. If he says they are working on this serious problem of damp grain and transportation, can he tell the house what they are proposing to do about it? What suggestions are they making in their offices? That is what we would like to hear.

Mr. Trudeau: If I had the answer to that, the ministers would not be in their offices studying the answers to these problems.

Some hon. Members: Hear, hear.

Mr. Trudeau: If the hon. member is trying to establish that the Prime Minister does not have the answers to all the questions asked, I am prepared to concede that; but on Thursday of last week there was occasion for a full debate on this subject.

Mr. Woolliams: The ministers have been studying this problem for six long weeks. How much more time will they need before coming up with any conclusion?

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary question for the Prime Minister. I should like to ask him where he gets the right as Prime Minister to deprive cabinet ministers of the privilege of attending sessions of the House of Commons as members of parliament.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. The question cannot be allowed.

[*Translation*]

PUBLIC WORKS

GASPÉ—REQUEST FOR REPAIR OF STORM DAMAGE

On the orders of the day:

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is for the Minister of Public Works.

Is he aware that over the week-end a severe storm hit the coast of the Gaspé peninsula and that waves over 25 feet high caused the destruction of several federal government structures and damaged wharves and fishing coves? In addition, the railway lines have been torn away and trains are not operating any longer south of Gaspé. Would the minister tell the house whether his department will take immediate steps to rebuild or repair the numerous commercial wharves fishing coves and retaining walls which have been damaged by that tidal wave.

[*English*]

Hon. Arthur Laing (Minister of Public Works): Regrettably, we have received reports of very serious and widespread damage to marine structures in the Gaspé and the Magdalen islands. The Atlantic region engineers are at present making as rapid a survey as possible of the damage, and in all cases where commerce is impaired action will be taken with all speed.

NATIONAL DEFENCE

OVERTIME WORKED BY PERSONNEL IN CIVIL PAY SECTION

On the orders of the day:

Mr. Rod Thomson (Battleford-Kindersley): The question is to the Minister of National Defence. Why have personnel of the department in the civil pay section been working every evening, as well as Saturdays and Sundays, since December 2; and why have they not been paid overtime for this work?

Mr. Speaker: I suggest to the hon. member that if this question is one of immediate urgency it might be discussed at the time of adjournment this evening.

INSTRUCTIONS TO REPORT FOR WORK NOT IN UNIFORM

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, if I may I should like to direct this question to the Minister of National Defence.

Have the officers and men of the Canadian forces who are working here in the capital been ordered not to appear at work in uniform on certain specified days of the week? If this is so, why have such orders been issued?

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

VOCATIONAL AND TECHNICAL TRAINING

PAYMENT OF SUBSISTENCE ALLOWANCES DURING HOLIDAY SEASON

On the orders of the day:

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a question for the Minister of Manpower and Immigration. In view of the impending loss of pay—their only source of income—by students in vocational and adult educational centres due to the closing down of classes for two weeks during the Christmas season, can the minister advise whether anything is being done to remedy this situation?

Mr. Speaker: Order. It seems to me this question was asked some time ago and replied to at that time.

Mr. Marshall: In view of the lateness of the season could we not be given an answer if the minister is willing to make one?

Mr. Speaker: My impression is that this question has already been asked and answered a couple of times, but I would have no objection to the minister replying if he wishes to do so.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Thank you, Mr. Speaker. We have tried in negotiations with the provinces to provide for uninterrupted training during the holiday period. Under the law we are permitted to provide training allowances on statutory holidays.

In the great majority of cases we have succeeded in providing this uninterrupted training across Canada but we are still negotiating with the province of Newfoundland in the hope that we can provide classroom instruction during this period, thereby making it possible to pay allowances to trainees.

Mr. Marshall: Since it is so late in December, would the minister contact his colleague the Minister of Defence Production, who is the minister from Newfoundland, to ask the Newfoundland government to see whether something can be done quickly; because there are only 11 days left?

[Mr. Rose.]

Mr. MacEachen: We have been in touch with officials of the government of Newfoundland, and we shall continue our efforts.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): I would direct this question to the Prime Minister. In view of the fact that the right hon. gentleman has been considering reform of the Senate, will he now take into consideration the appointment of Mr. Ernest Manning, the former premier of Alberta?

Right Hon. P.-E. Trudeau (Prime Minister): I have heard the representation, Mr. Speaker.

PUBLIC SERVICE

DISMISSAL OF COMMISSIONAIRES FOR LANGUAGE REASONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Secretary of State whose name, I believe, is on the roster for today. Perhaps in his absence the parliamentary secretary can answer it, since notice was given by a number of hon. members on Friday last, I think. I should like to ask whether the Secretary of State has a report to make to the house today regarding the displacement of members of the Canadian Corps of Commissionaires in various security positions in government buildings.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am advised by the museum corporation that a policy has been implemented requiring commissionnaires who come into contact with the public visiting museums to be to a large degree bilingual, and that the staff in the Ottawa area from which these commissionnaires can be drawn is some 40 per cent bilingual. I am advised, however, that there have been no dismissals from the corps in connection with the implementation of any such policy, although perhaps there might be some transfers of personnel necessary to bring about this change.

Meetings have been held by the National Gallery with representatives of the company which provides the protective services there in an effort to implement a similar policy for the National Gallery. I understand it has been indicated that there should be no difficulty in implementing such a policy without dismissals of any employees.

OLD AGE SECURITY

REQUEST FOR ISSUANCE OF CHEQUES BEFORE CHRISTMAS

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I wonder whether I could direct a question to the parliamentary secretary to the Minister of National Health and Welfare. Can he say whether a second look could be taken at the matter of enabling the recipients of old age pensions to receive their cheques a little earlier, before Christmas, in order that it will be possible for them to have a better Christmas?

Mr. Speaker: The hon. member again in this case is asking a question which was asked and answered a few days ago.

REQUEST FOR PENSION INCREASE TO EQUAL COST OF LIVING INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of National Health and Welfare may I direct this question to the Prime Minister. In view of the suggestion made by Scott Young in his column this morning that old age pensioners will spend their December cheques in a spree on New Year's and thus be in difficulty in January, may I ask the Prime Minister whether the government will reconsider the question of the amount of increase allowed in old age pensions because of the cost of living; in other words, will the government bring in an amendment to the act to permit an increase to equal the actual cost of living increase, so in other words it will not be frozen at 2 per cent?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Minister of National Health and Welfare is now on a tour of health services in the Northwest Territories. He will be back in the house tomorrow and I am sure he will be happy to answer that question.

EXTERNAL AFFAIRS

NIGERIA—SALE OF ARMS BY BRITAIN

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

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Since the Prime Minister will be going to England soon, could he assure the house that he will protest to the British Prime Minister the sale of arms by England to Nigeria?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, when I meet the British Prime Minister, I intend to speak to him about a number of matters, and I believe the one mentioned by the hon. member will be on the agenda.

[*English*]

AIR CANADA

POSSIBLE EFFECT ON SAFETY OF WORK DISPUTE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I had intended to direct this question to the Minister of Transport, but because of the urgent nature of the matter I will direct it to the Prime Minister. Can the Prime Minister tell the house if he has looked into the question of whether the slowdown, work to rule, or whatever it is called of Air Canada personnel will endanger the lives of any passengers or air crew?

Right Hon. P.-E. Trudeau (Prime Minister): So far as I know it will not, but I will gladly inquire.

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF SALT FISH MARKETING BOARD

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, normally I would have directed this question to the Minister of Fisheries, but in his absence I will direct it to his parliamentary secretary. Can he tell the house whether a salt fish marketing board for Newfoundland and other Atlantic region fishermen is being established and, if not, whether a study is being made of the feasibility of setting up such a marketing board.

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): I shall take the question as notice and advise the minister the next day he is in the house.

REGIONAL DEVELOPMENT

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, my question is for the Minister of Forestry and Rural Development. When does the

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minister expect to bring before the house legislation with regard to regional development?

Hon. Jean Marchand (Minister of Forestry and Rural Development): I hope during the month of January.

ADMINISTRATION OF JUSTICE

SPECIAL CHURCH SERVICE OF JUSTICE AND MERCY

On the orders of the day:

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Solicitor General. In view of the unusual success of yesterday's service of justice and mercy, I wonder whether the minister has received requests from other institutions across the country for similar special services.

Hon. G. J. McIlraith (Solicitor General): A great many similar services were held yesterday in different parts of the country. I am very appreciative of the expression of approval for that program on the part of the hon. member.

[*Later:*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for my fellow Presbyterian, the Solicitor General, and it follows on from the question of the hon. member for Egmont. I ask simply, has the lost been found?

Mr. McIlraith: Not yet, Mr. Speaker.

[*Later:*]

Mr. McIlraith: Mr. Speaker, I want to vary an earlier answer I gave. We are working rather rapidly in the department and the lost has now been found.

Mr. Rose: Mr. Speaker, I was just wondering whether my lost previous question has been found.

DOMINION-PROVINCIAL RELATIONS

ASSISTANCE TO PROVINCES TO MEET EDUCATION COSTS

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister take advantage of the opportunities provided by the impending conferences with the provinces to begin discussion of an acceptable and constitutional arrangement to allow extensive federal financial assistance in meeting the crisis in education in Canada.

[Mr. Burton.]

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the matter of the division of jurisdiction as between the federal and provincial governments is also on the agenda. It is possible some of the provinces might suggest transferring educational jurisdiction to the federal government. I have no information on that.

Mr. Lundrigan: I hope I did not suggest to the Prime Minister that there should be a transfer of jurisdiction over education to the federal government. I asked whether some acceptable constitutional arrangement could be provided. I have a supplementary question. Have any discussions of this kind already been held with the provinces regarding financial assistance in the field of education, and could the Prime Minister say what was the nature of those discussions?

Mr. Trudeau: Well, in the past couple of years the federal government has vacated tax room for the provinces so they could increase by hundreds of millions of dollars their expenditures on education.

Mr. James A. McGrath (St. John's East): Has the right hon. Prime Minister received a specific request from the province of Newfoundland in the area of education.

Mr. Trudeau: Not that I am aware of.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, can the Prime Minister tell us if, at the next federal-provincial conference, he will take into account the recommendations made by the Aird commission in 1927?

Mr. Trudeau: Mr. Speaker, we take into account wise counsel from the past, but I must say that we are not among those who hold blindly to views from the past.

[*English*]

IMMIGRATION

TORONTO—DEPORTATION ORDER AGAINST POLISH SEAMAN

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration what action he has taken or will take in response to the telegram I referred to last Friday, protesting the treatment of a Polish refugee seaman in Toronto and others detained in Halifax who are destined for deportation after they have sought asylum in Canada.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, my hon. friend should be aware that there is no discretion for the minister in these matters. The cases have been heard by the immigration appeal board and as a result of the hearings deportation orders have been issued, which the department is bound to carry out as soon as practicable.

Mr. Haidasz: As a supplementary question, could the minister inform the house when he will act on the government's 1966 white paper on immigration and, specifically, proposals 54 and 55 dealing with refugees and seamen?

Mr. MacEachen: Mr. Speaker, Canada's treatment of refugees conforms both in spirit and to the letter with the international convention and protocol. We have under active consideration at present the formal acceptance of this convention and protocol, which we are scrupulously observing.

POST OFFICE DEPARTMENT

INQUIRY AS TO PAYMENT OF SALARY ARREARS

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in view of your ruling on questions of a similar nature I do not hold out great hope for this one; nevertheless I suggest it is most urgent. In the absence of the President of the Treasury Board and the Postmaster General I should like to direct it to the Prime Minister. What plans, if any, has the government to pay the arrears in postal workers' wages dating back to October 1, 1966, and the additional increases granted in October, 1968, before the new year?

TRANSPORT AND COMMUNICATIONS

CONSIDERATION BY COMMITTEE OF POST OFFICE REPORT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct my question to the government house leader. In view of conversations between the government house leader and the house leader of the official opposition, would the hon. gentleman agree to refer to the standing committee on transport and communications the report of the Post Office Department so that discussions on the subject of effective work in that department, which will not be otherwise possible, may continue in the committee as per the arrangement?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, I will consider that, Mr. Speaker. I also wonder whether I may pose a question to the hon. member and ask whether the opposition is agreeable that the Canadian National Railways and Air Canada reports as well as the expanded terms with respect to the question of Atlantic transportation be included in the terms of reference for study by the transport committee? Is that now agreeable to the hon. member?

Mr. Nesbitt: Mr. Speaker, it is a somewhat unusual procedure to direct questions to members of the opposition, but I would be very happy to consider discussing this matter with the house leader.

Mr. Stanfield: Mr. Speaker, it is not the hon. member's day to be in the house to answer questions.

Mr. Trudeau: Mr. Speaker, what right does the Leader of the Opposition have to prevent eight of his frontbenchers from attending the house?

Mr. Stanfield: Mr. Speaker, I would expect the Prime Minister to listen more carefully to the Leader of the Opposition. I said it was not the member's day to be in the house to answer questions.

SUPPLY

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

The Chairman: House again in committee of supply on the estimates of the Cape Breton Development Corporation, vote 35, to be found at page 425 of the blue book.

CAPE BRETON DEVELOPMENT CORPORATION

35. Payment to the Cape Breton Development Corporation to be applied by the corporation in payment of the losses incurred in the operation and maintenance in the calendar year 1968 of the coal mining and related works and undertakings acquired by the corporation under section 9 of the Cape Breton Development Corporation Act and, notwithstanding section 31(2) of the said act, for grants to municipalities on Cape Breton Island not exceeding an amount equal to the taxes that might have been levied for their 1968 fiscal year by the municipalities in respect of the personal property of the corporation if the corporation were not an agent of Her Majesty, $20,000,000.

Mr. Marchand (Langelier): Mr. Chairman, as most members know, the standing committee on regional development has already given a good deal of examination to the operations of the Cape Breton Development Corporation and the 1968-69 estimates of my

department. I therefore do not propose to give a long statement at this time. It will be more appropriate if I respond later to any new points that are raised. I do want, however, to take advantage of this opportunity to make a brief statement covering certain important points in connection with Devco.

A great number of subjects relating to the operations of the corporation were raised before the standing committee, and, I hope, satisfactorily answered. There is, however, one point of such importance that I feel it should be restated to the house as a whole.

The main objective of the corporation, as is well known, is to rationalize the coal mining operations but to do so only in a way compatible with the social obligations that we have to the miners. There has been, with good reason, a great deal of concern among the people of Cape Breton and the members of the standing committee about the possible hardship and dislocation which may be caused in the lives of employees. I can assure hon. members that the corporation recognizes its very fundamental social obligations. I can further assure members that the government will be watching closely to ensure that these obligations are fulfilled.

The first step in the corporation's program will be to introduce and implement the proposed pre-retirement leave plan. Until the corporation knows how many employees are going to take advantage of that plan, it is difficult to be specific about the details or the timetable for future operations. Accordingly, the plan is sufficiently flexible to ensure that coal mining operations will be adjusted to the labour force situation, so that no miner has to be discharged before he is entitled to pre-retirement leave unless there is a job for him to go to.

The corporation will be opening the new Lingan mine. That will in itself provide new work while the mine is being developed as well as after it is in production. In addition, the corporation is busily seeking to attract other industrial developments on the island of Cape Breton. The pace at which operations in the existing mines are reduced will depend on the pace at which, for these reasons, alternative jobs become available for the miners.

This is the essence of the plan. I invite members to consider whether any painful industrial situation of this kind, where an industry has to suffer a major contraction, has ever before been dealt with by methods as farsighted and humane.

[Mr. Marchand (Langelier).]

Mr. MacInnis: Mr. Chairman, following the brief statement by the minister in which he has indicated there have been questions and answers in the committee that he hopes satisfied members of the committee, let me review the situation. Because of annual costs to the federal government for the payment of coal subsidies or subventions the federal government saw fit to set up this crown corporation in conjunction with the provincial government in order that the coal mining situation would be somewhat stabilized, thereby giving the miners and these communities some security, which they have been labouring without for a number of years. Job insecurity in that area has been bothering the people for a great many years.

• (3:40 p.m.)

In brief appearance before the committee the chairman of the Cape Breton Development Corporation indicated that the Donald report was used as a guide. Several days later when he was questioned about this he said no, not necessarily, because they were undertaking certain plans and developments that were not recommended by Dr. Donald. This is not the case. The particular item I referred to was the opening of the mine at Lingan, which the chairman of the board said Dr. Donald did not recommend. At page 129 of Dr. Donald's report it can be seen that he recommended the opening of the Lingan mine and putting it in operation for a five-year period.

I personally did not believe that Dr. Donald's report should have been the basis of this legislation, and I do not think that when the legislation was put together his report was used as a guide. If any one wishes to study the difference between the Donald report and the Rand coal report of 1960 they can see there is a great difference of opinion between these two gentlemen. Mr. Justice Rand went into the coal mining areas and the mines and examined the situation there, and I think the house would agree that he would, therefore, be a far greater authority on the subject than Dr. Donald who brought in a report in respect of coal without even visiting the coal mines. A difference of opinion has been expressed by the chairman of the board. Dr. Donald never visited the coal mines, and he made certain recommendations that Devco did not think he made on the first place. However, they are there.

The intent of the legislation at the time it was drawn up was not only to give protection to the miners but to the mining communities.

In this respect I think the service provided to the mining towns also needs the protection of this development corporation. I point out to the minister that the intent of the act is spelled out in the preamble. I will read part of the preamble to the minister. It provides:

> And whereas the mines in the Sydney coalfield are faced with imminent closure unless a substantial capital investment is made for their rehabilitation and modernization—

Money has been provided toward that end, but the indications are that no effort is being made by the Cape Breton Development Corporation to rehabilitate these mines. It is said, of course, that it is the intention to broaden the base of the Cape Breton economy. That is all well and good. I ask the minister to explain how he feels the intent of the legislation, drawn up to protect the miners and the mining communities, will be served by the Cape Breton Development Corporation using its energies toward the development of the tourist industry. This, of course, broadens the base of the Cape Breton economy. The tourist industry has been promoted for a number of years. But I do not understand how any move in this direction by the Cape Breton Development Corporation will provide alternative jobs for displaced miners.

I hope the minister will also explain to the house later the approach of the Cape Breton Development Corporation to the early retirement plan. I agree that the early retirement plan could be acceptable to quite a few miners employed under Devco. Here again Dr. Donald did not have an original thought, because the early retirement plan was first introduced in the Nova Scotia mining communities by the Leader of the Opposition when he was premier of that province. It was introduced after considering the limited resources of the province and it was put forward strictly on a social basis. When the provincial government introduced the early retirement plan it saved $16 million, $18 million or $20 million a year spent on coal subventions. Therefore the federal government has every reason to be very generous in such an early retirement plan. I ask the minister to speak to the Devco authorities and see to it that if they are going to put an early retirement plan into effect it at least surpasses the standards set out by the Economic Council of Canada. They should at least see that the early retirement plan provides benefits above the poverty level, as was quite clearly pointed out by the Economic Council of Canada. In other words, I am saying to the minister that the early retirement plan gives the miners of Cape Breton less than the poverty level. If the federal government is introducing and is going to support this approach, while at the same time saving millions of dollars in subventions, the least it can do is make the plan worth while. The early retirement plan should provide more than the poverty level, which is now the case.

I also ask the minister to explain, since he has a considerable labour background, how the development corporation can compulsorily retire men at 60 years of age when the general agreement under which these men are working calls for retirement at the age of 65. How can they compulsorily retire a miner at 60 years of age when he is working under a general agreement which calls for his retirement at 65? Does this mean the minister supports the breaking down of bargaining units throughout the country?

I point out to the minister a question I asked in the committee. This matter is clearly spelled out in the legislation. I asked whether the early retirement plan was negotiated with the unions. I am sorry I do not have the committee reports here to verify this, but I was told in the committee there was nothing in the legislation which required Devco to negotiate such plans. Nevertheless the legislation distinctly says that any working arrangements should be carried out with all the unions that were certified under the Nova Scotia labour law prior to the coming into effect of this legislation.

I was told by the vice-president in charge of coal that when I referred to negotiating this matter with the unions I was drawing a pretty thin line, because nothing in the legislation required them to negotiate such a plan. If that is the case, nothing in the legislation gives Devco the authority to go ahead with such a plan. I ask the minister to examine all aspects of the early retirement plan and to take into consideration the fact that it provides benefits below the poverty line. They should introduce a plan which would at least make it worth while for those willing to take early or voluntary retirement, whichever it may be. I suggest that to make it worth while would mean a considerable increase in the amounts paid.

I also ask the minister when considering this particular phase of the plan to give some thought to the restrictions placed upon a miner accepting early retirement. There has been disagreement between the mines and the chairman of the board in this respect. In the

committee I said restrictions were placed on a miner taking early retirement. The chairman at that time said there were no restrictions. This is not the case. Restrictions are placed on any miner who goes on early retirement in that 50 per cent of anything that he earns over and above $50 is applied against any funds he would receive on retirement. In other words, if he earns $100 a month he can only keep $75 and $25 is applied against the payment he will receive on retirement. I think this restriction should be removed. Also I see no reason why miners who might retire early should subsidize this plan through the unemployment insurance program. If they are going to accept early retirement they should be entitled to their pensions and to whatever benefits they may have from unemployment insurance rather than have to subsidize pensions through payments to unemployment insurance.

• (3:50 p.m.)

With regard to job opportunities, I believe in all sincerity that the intention of the legislation was to provide alternative work in and around the mining communities affected. I do not see anything in any of the Devco reports concerning any developments by that corporation although there are many rumours concerning this throughout Cape Breton. I see nothing about their intended investment in an oil refinery in the Port Hawkesbury area, although action was supposed to have been taken in this respect. I have no objections to broadening the base of the economy of Cape Breton, but I want to emphasize again the fact that this legislation was intended to assist the mining communities. Here again I might say that the development of the oil refinery in the Port Hawkesbury area, despite the credit which some people may be getting for it, was done on the initiative of the present Leader of the Opposition when he was premier of Nova Scotia in 1958, at which time he made land deals with the British American Oil Company. I might also say that I have found it surprising that such action has been taken in this area by the Cape Breton Development Corporation when one considers the fact that B.A. has now been taken over by U.S. interests.

I am also surprised to hear, although I have nothing to substantiate this, that Devco has shown some interest in a possible investment in a Holiday Inn. Here again they are emphasizing the tourist trade, but I do not feel that the tourist industry provides Cape Breton or the mining communities in that area with the incentives for which they were looking and the security which they expected to receive from this legislation. No one expected Devco to bring in industry which would replace the coal mines and only employ 500 or 1,000 men, but it was certainly expected that Devco would make an all-out effort to assist the suffering mining communities. Even though Devco may invest millions of dollars in the Cape Breton area, this possible venture cannot be expected to do anything to serve us in particular or to protect the mining communities involved.

Since the Minister of Manpower and Immigration is here may I remind him that during the last election compaign he indicated that a ski resort would be built in Cape Breton. I am all in favour of it but I do not think Devco should dip into funds provided by parliament to develop the economy of the mining communities of Cape Breton in order to build a ski resort which again will only serve the tourist industry. I think I can speak with some authority on this program. It is not a development which will do much for Cape Breton, and I fail to see how a ski resort can help to develop the Cape Breton tourist industry because it is a recognized fact that skiing cannot take place during what is regarded as the tourist season in our area.

I see no indication that the government intends to fully support the over-all plan put forward by Devco. I believe that the opening of the mine at Lingan, which was forcefully promoted by everyone involved in the mining industry over a period of years, has been brought to the minister's attention. The thought behind the promotion was that the opening of a mine at Lingan would provide coal operators with an opportunity to drastically reduce production costs. It was never intended that Lingan be opened for the purpose of closing down other mines operating in the area. At the time that Devco came forward with the over-all plan to open the Lingan mine, without any thorough study of the plan, I criticized that approach because they were going to close down other mines. Yet, the Minister of Manpower and Immigration, who I hope will have something to say in this debate, indicated at that time that it was a wonderful thing and was a fulfilment of a promise he had made several years ago prior to another election. Since then it has been clearly indicated to him by the mining interests—and I might say here I am speaking of miners and unions—that they are not happy

about Devco opening the Lingan mine for the prime purpose of closing other operations. Again I wish to remind the minister that Bill C-135 was passed in this house for the purpose of rehabilitating and modernizing existing operations.

It should also be noted that the phasing-out period recommended in the Donald report was to take place over 15 years. Nowhere is it indicated in this legislation that its purpose is to phase out coal mines in Cape Breton. However, it is certainly indicated in the legislation that an effort should be made to revitalize, rehabilitate and modernize the mining communities. Possibly those mines that do not prove economical after this attempt is made should be phased out after 15 years. It is stated in the Devco report that the prime purpose of Bill C-135 and of the Donald report is to close down Cape Breton mines as quickly as possible. This was never the intention of the legislation. If the minister would examine the legislation closely he would find nothing in it indicating that the Cape Breton Development Corporation should close down coal mines. I should think that any effort on their part to close down coal mines should be made after they have attempted to produce some form of alternative employment. May I remind the Minister of Manpower and Immigration, who has considerable experience with labour unions, that this corporation cannot completely ignore the general agreement under which the miners have been working over a long period of years and tell them they may be pensioned off at the age of 60 or may have to take early retirement at that age.

• (4:00 p.m.)

I fail to understand the approach that Devco is using. They say these men are going to remain on the payroll, subject to recall. The men will receive a pension from Devco but that pension will be below the poverty line. Despite the fact the pension will be below the poverty line, if the men earn $100 in one month outside the coal operation, their earnings will be returned and applied against their pension. I feel it is a rather coldblooded approach to pension them off arbitrarily at a rate below the poverty line and at the same time place a restriction on the earnings they may be able to receive outside the coal operation. As has been indicated, the men will be left on the company payroll and will be subject to recall. I did not have the opportunity to question the Devco authorities that I thought would be available. I wonder what the position of a man would be under this early retirement scheme who found it necessary to move with his family to some other part of the province or some other part of the country and was then recalled by the company? Who is going to handle this procedure? If he is not available for work, is this man removed from pension? Presumably the corporation has already prepared itself for a situation that might develop whereby an employee who accepts early retirement can be cut off from pension rights because of his activities outside the mining industry.

The Cape Breton Development Corporation, both the coal and development sections, seems to be concentrating its efforts on the mining activities that are going to be affected by any phasing out. Early retirement should mean that the miners will be provided with an adequate pension. I repeat that the pension falls below the poverty line. I feel that the miners should be given an opportunity to earn whatever moneys they are able to earn when they are on retirement. In addition, I do not believe that the Devco plan should be in any way, shape or form subsidized by unemployment insurance benefits that any miners may have coming to them. This is an area in which the miners have been contributing. I had hoped for an opportunity to examine the Devco officials more closely and get some definite answers with regard to some of these issues connected with the early retirement proposition.

I should like the minister to give consideration to the fact that the early retirement plan should be strictly voluntary. It is something that the government should not support because, in effect, this crown corporation is bringing about compulsory retirement at age 60. I say to the minister again that I am sure he does not want to be a party to any plan of the crown corporation which would violate the general agreement under which these miners have been working for years. I hope that before the afternoon is over the minister will enlighten the house as to what his intentions are with regard to this approach.

Mr. Broadbent: Mr. Chairman, the act establishing the Cape Breton Development Corporation required that the corporation present a report by October of this year. We received such a report and have had a look at it in committee. At this point I should like to ask some questions that I raised at that time and perhaps the minister could give answers which I hope will prove to be more adequate than the ones received in the committee. It

seems to me that the Devco people who prepared this report had ample time to prepare a more adequate plan. I am not suggesting, however, that the six months period available was sufficient for the development of a completely detailed plan. However, this period was certainly sufficient for them to come up with a much more substantial one than they have presented. At the time I suggested that some of the pages of the report reminded me of a university professor who had been on holiday throughout the summer and then on the first day of classes presents to his undergraduates a plan written the previous week end full of some persuasive generalities about what is going to take place but one which is totally devoid of any serious content. The plan is devoid of specific proposals which will arouse interest in those who are going to be affected by it.

Pages 4 and 6 of the report contain a number of generalities and clichés. For instance corporation is going to "attract secondary manufacturing industries, and build up the service industries" and prepare special programs "to develop the full potential of the tourist industry." What details are provided? We get no details. In fact, when we were in committee I asked for details and the answer I got, first, related to the time factor. I suggest this answer is inadequate because it really does not take that much time to give specific information. Surely six months should be enough time to come up with something. The other answer was that everyone has to compete in Canada for industry and therefore they could not make a particular proposal they might have in mind available to the members of the committee. I suggest that this is a very inadequate answer.

If we are to look seriously at a report of this nature and make a thoughtful judgment upon it, we should have had proposals. It may well be that these proposals, for competitive reasons, should not be made available in complete detail to the public; if so, we could have had an in camera session of the committee. Then we could have given some thoughtful consideration to those proposals. I think we could and should have done that.

• (4:10 p.m.)

I do not want to pass final judgment on Devco, but it seems to me it could develop into another Atlantic Development Board. That board has been in existence since 1962 and we still hear reports that the board is working upon a plan for the maritimes. The plan presented by Devco is really a charade, not a plan at all. I hope that something more substantial will emerge very soon.

More constructively, Mr. Chairman, I should like to suggest—and this suggestion was made in the committee—that what we need for the area is not a plan that is narrowly defined in terms of immediate economic objectives, such as the Devco plan, but a plan that is much more comprehensive. We need a FRED project, something that will deal not just with economic growth but also with all the related social services and educational and housing needs that are required in the area.

Experience in the United States and in underdeveloped countries indicates that in order to do a serious job in an area such as this something more than merely defining economic objectives is required. For example, assuming, as seems to be the case, that miners will be retired at age 60, what provision is being made for them when they pass that age? These men have a number of years left to live and I should like to know what kind of existence is being planned for them in terms of their recreational and human needs. Are these people who have spent their whole lives working in local communities going to do what the chairman of the board suggested in all seriousness they should do—spend their time fishing? Even though this part of the country is very attractive and has appropriate resources for this kind of activity, I do not think any of us take this suggestion seriously.

If a man who has spent his life working in an industrial capacity is thrown back completely on his own resources at the age of 60, he is going to have a very difficult time to find some meaningful existence for the remainder of his years. It seems to me that something should be done in a much more serious vein in terms of providing some recreational potential for these men, their wives and their families.

Related to this, of course, is the whole question of the participation of those who are directly affected in the planning process itself, whether through their trade unions or private community organizations. Surely these people should be involved in the development of plans and projects which are going to be designed for their benefit. It seems to me that this factor has been totally neglected.

A particular example of the inadequacy of the existing legislation is the situation of the railway workers. They are a small group in terms of total number affected by Devco, but

it is quite clear that they are being dealt with inequitably. The Donald report, as has been pointed out, recommended that if early retirement were introduced it should be voluntarily entered upon. The Devco report states quite categorically that retirement at age 60 will be mandatory. The railway workers in particular are going to suffer a real loss of income if they are forced to retire at the age of 60 rather than 65. According to the figures I have, the legislation provides them with about $3,000 per year. This means they will lose about $15,000 for the five-year period, or about $3,000 a year, because their average wage is approximately $6,000 per year. I ask the minister whether it is equitable to force a man to retire under these circumstances. If retirement is going to be made mandatory, I suggest that instead of the $3,000 that these men would receive annually under the legislation they should receive what their average income would amount to over the five-year period in which they are no longer permitted to work. This relates, of course, to the point that I was making, namely, that it seems to me that the groups most specifically and directly involved in this region have not played the full role they should have had in developing a plan themselves.

I missed the earlier remarks of the hon. member who preceded me and he might well have raised this question, but in case he did not I should like to ascertain from the minister when it is contemplated that the pre-retirement plan will come into effect. Further, would he assure this committee that those who are directly affected, and more particularly the railway workers, will have the chance to make representations and criticisms respecting the retirement plan either to the minister or to Devco?

Finally, Mr. Chairman, I have a particular question that I should like the minister to comment on if he has the information available. We all know that before the steel company at Sydney became a crown corporation it was losing money. However, we are now informed that over the past year it has likely made a profit of some $2.5 million. My question, which is a factual one, is, why is this the case? Does the minister have any statistical evidence that he could present to the House to indicate why the corporation, when it was privately owned and greatly subsidized by the people of Canada for a number of years, lost money and then all of a sudden when it becomes a public corporation it makes a profit? I should like to know whether this is really a case of the people of Canada subsidizing the profit made by a group of private individuals or whether there is a more acceptable reason to explain the profits that apparently are now going to be made by the company, profits which a few years ago would not have been made. With that point, Mr. Chairman, I shall conclude my remarks.

[*Translation*]

Mr. Dumont: Mr. Chairman, if we analyse the report submitted by the Cape Breton Development Corporation, we realize that when the state takes a hand—and we now have the Minister of Forestry and Rural Development (Mr. Marchand) to help it in other similar undertakings—in the development of Canada, it is nothing but administration, bureaucracy, when for 35 years on this side of the house we have been asking for the perfect solution.

In fact, I have never been able to understand that it is possible to set the value of a dollar earned by an engineer or a carpenter in any way except by the number of hours needed to prepare plans or to extract ore from our mines rich in resources. I find it hard to understand that we have to say: The dollar is worth less than the products taken out of the mines.

If, in the past, those Cape Breton mines were so rich and if it is expected that within a few years coal will no longer be needed, because of the large supply of atomic energy, we will then have to use something other than coal for heating. If the previous governments had set the value of the dollar according to the value of the product, the value of the production of those mines, it would not be necessary today to talk about such regional development corporations. That situation shows that in Canada, as in all the other countries of the world at the present time, there is something wrong with the economy.

France is now facing a serious economic problem. It must keep a constant eye on the value of the franc, which is subject to fluctuation every day.

The same thing happens here, as in every country in the world. It would be unthinkable that an engineer or a carpenter should decide one morning that a 12-inch rule measures 11 inches only and, a week later, that it measures 13 inches. If the value of the dollar were regulated according to the value of the product, which would be possible in an economy which, in 1968, gives promise of

unusual technical developments, we could, thanks to past experience and the unparalleled resources of Canada, enjoy prosperity instead of resorting to national development corporations. In fact, these involve in the long run, as we now see in Canada, deficits which may exceed $1 billion.

• (4:20 p.m.)

If Canada benefited from the war, if it is a rich country, as everyone likes to say everywhere, why could this wealth, which is measured according to the value of the dollar, not be measured by the working hours in mines or elsewhere? Then, we could have a truly progressive economy, instead of having to analyse the deficits of corporations and listen to the criticisms of the opposition. In fact, if the state is forced to intervene all the time to settle problems, it is because our monetary system does not meet the requirements of a 1968 economy.

I am not well acquainted with the Cape Breton area, but I know from the criticism I have heard that the problems and difficulties of those miners are similar to those of the asbetos miners. For those people, whether they are French, English, American or Canadians in Cape Breton, Quebec City or Vancouver, the real problem is always economic. The dollar never represents the true value of products which are the natural wealth, that is the available consumer goods. This is why I think it is unfortunate that the Minister of Forestry and Rural Development who used to know those problems quite well cannot find another solution but only suggests the intervention of the state to settle the problems in all those areas.

In view of the fact that national production this year will amount to $68 billion, we suggested, in this corner of the house, several remedies. One of them would be to base credit on production. This is just a matter of credit and debit, and the difference between the two of them is an administrative surplus. We should rather be able to grant subsidies to private enterprise when it is no longer economic. It would be a better solution. In fact, crown corporations simply produce administration and confusion, which prevents private enterprise from progressing and taking advantage, in the case of economic hardship, of subsidies which might fill the gap and even allow a surplus.

In a well-balanced economy—production and consumption equating surplus—private

[Mr. Dumont.]

enterprise would bring to the country overproduction which would increase constantly, thus making possible the development of our country which is tremendously rich, because we are entitled to expect that development in order to continue our advances and to be considered as a large nation. Development corporations should not continue to be taxed in Canada as had to be done in the case of Cape Breton.

[*English*]

Mr. MacEachen: Mr. Chairman, I want to make a few remarks about the estimates of the Cape Breton Development Corporation. In so doing I wish to congratulate the minister responsible for regional development for taking on the responsibilities of this corporation. I wish him all success in this important endeavour.

The Cape Breton Development Corporation Act, passed just over one year ago, was the result of the policy declaration by the government of Canada in the fall of 1965, of various recommendations contained in the Donald report, and of consultations undertaken between the government of Canada and the government of Nova Scotia. The policy declaration made by the government of Canada in the fall of 1965 committed the government to a policy expenditure on the modernization and rehabilitation of existing mines and investment in a new opening at Lingan. Of course, the study conducted by Dr. Donald at that time was ongoing. It has often been suggested in the house and elsewhere that a commitment or promise was made in that statement that $25 million would be made available to the Cape Breton coal industry. The statement itself, of course, made reference to no particular sum, as may be verified by looking at it. The $25 million arose from one of the development proposals that had been undertaken or proposed by Dosco, which had a cost figure of $25 million available. It was more or less an easy way of estimating the commitment that was contained in that early proposal.

The hon. member who spoke earlier mentioned the Donald report. Those of us who have felt that the opening of a new mine at Lingan was a viable proposal, and good sense in the long run, were certainly disappointed by one of the conclusions of the Donald report. In No. 4 of the summary of Dr. Donald's recommendations Dr. Donald recommended that the opening of a new mine at Lingan should not be undertaken. That recommendation at that time certainly

appealed to a number of people. The argument was put: What is the point of opening the new mine when the proposal of the report and of the legislation is to phase out gradually coal production on the island of Cape Breton? Does it make sense to open a new mine, in that context? As I say, that recommendation by Dr. Donald certainly dashed hopes at that time for a new mine opening. Without going into the question of preparing legislation, it was a matter of prohibiting the new corporation from undertaking any new opening, as had been recommended by Dr. Donald, or of giving the corporation a chance of making a decision for itself as to the viability of the new opening.

• (4:30 p.m.)

The government did recommend in the legislation that the Cape Breton Development Corporation should have the authority to decide for or against any new opening. I am pleased that the corporation in its over-all plan is proposing the opening of a new mine at Lingan. I thought it made sense in 1965. I thought it made sense even after Dr. Donald had recommended otherwise. I think it makes economic and social sense today and I am glad that on this particular point the corporation departed from Dr. Donald's recommendation. In saying this I acknowledge the contribution which Dr. Donald made and the debt we owe him for his proposal that a corporation be established to undertake this job. It is unique in Canada. There is nothing else like it and I think it is breaking new ground. It is entrusted with a mining operation but it is also given broad powers in connection with new development. There is no region in Canada faced with a similar situation which has an instrument such as is available on the island of Cape Breton, supported jointly by the government of Canada and the government of Nova Scotia.

We know that on the federal side we committed $25 million. In the coal sector, the corporation has decided how to spend these funds; it will spend part of the amount on a new opening and part on the purchase of a coke oven from the steel operation, because this was regarded as an important element in Cape Breton production.

On the development side the federal government put a sum of money at the disposal of the corporation, while the provincial government under the leadership at that time of the present Leader of the Opposition committed the amount of $10 million, I believe. It is understood that any savings which may be forthcoming from the reduction in the large subvention which was being paid for the moving of coal will be directed toward the general strengthening of the island of Cape Breton in future years.

A serious effort was made to get a good board of directors and a good staff. While it is certainly too early yet to make a final judgment on the success of the corporation, I think it has made a good start and that at this stage it deserves the widest possible public support for its undertaking. The hon. member for Cape Breton-East Richmond talked about the role of the corporation in the mining areas. Undoubtedly the act intended that the purpose of the corporation should be to provide alternative employment opportunities and to strengthen the economic base of the island. I hope the hon. member does not take an exclusivist view about this. The act is intended to apply to Cape Breton as a whole and not to any particular community. I would certainly take a very dim view indeed of the corporation if it hesitated to support viable projects in all parts of the island.

It has made a big investment at the strait of Canso in assisting the B.A. Corporation to establish an oil refinery there. No one questions that all governments are called upon to play a role these days in industrial development, and when I say "all governments" I mean to include provincial and municipal governments. But I do know that without the assistance which was forthcoming from the Cape Breton Development Corporation, the Atlantic Development Board and the Government of Canada, the decision of B.A. Oil to establish at the strait of Canso would have been postponed for an indefinite period. I know this to be a fact. It is a good thing that the Cape Breton Development Corporation seized this opportunity to assist in the immediate establishment of the refinery and help create a growth centre on the strait which will be as important toward a solution of the economic difficulties on the island as any other possible endeavour.

In defending this action I am aware that the corporation has a real obligation to the coal miners in terms of the operation of mines and also in terms of its obligation to provide alternative employment opportunities on a planned basis to miners who may be affected by closures. I believe the over-all approach outlined in the corporation's report has stressed an acceptance of this obligation. Certainly I shall be as eager as any other hon. member to ask the corporation to recognize

this responsibility if at any time there appears to be a feeling that it is being ignored. I hope there will be no such feeling.

The hon. member talked about a comment I made during the election campaign concerning a ski development in northern Cape Breton. I suppose it would have been better had I made the reference at another time because announcements made during campaigns are usually suspect. But in this case, at least, the validity of the announcement was confirmed by action subsequently taken by the Department of Indian Affairs and Northern Development in calling for tenders from private promoters to establish a ski development on South Mountain, northern Cape Breton.

An hon. Member: How many were received?

Mr. MacEachen: Up to the present, none, but it is not likely that private developers will be ready to submit tenders until they have had a chance to observe snow conditions in the area during the current winter. I hope private developers will come forward because such a development would have an important effect upon the tourist industry in northern Cape Breton. This ski development has nothing to do with the Cape Breton Development Corporation; it has been sponsored by the Department of Indian Affairs and Northern Development, the department responsible for the administration of national parks. This development is supposed to take place in Cape Breton Highlands national park.

Mr. Muir (Cape Breton-The Sydneys): Would the hon. gentleman allow me to interject for a moment? I could be wrong, but I believe my hon. friend was referring to a proposed ski resort in the Coxheath area which was mentioned by the president, Mr. Orde, in the committee.

Mr. MacEachen: He referred to my having made an announcement about a ski resort, and the only ski resort I have talked about in public was this proposal for northern Cape Breton.

Mr. Coates: Would the minister tell us whether this is the same ski resort as the hon. member for Cape Breton North and Victoria, as the constituency then was, announced when we were in office but which was later cancelled?

• (4:40 p.m.)

Mr. MacEachen: I have never kept track of my hon. friend's promises. In any event I hope that this particular tender will receive a good response and that we will have this development apart from any past history.

I should like to conclude by a reference to the over-all plan. The over-all plan is not in any way specific about dates and times of closure of any mine. It is a general plan. I believe that in the time at the disposal of the corporation it was too much to expect it would have been possible for it to do much more than it put forward in that particular plan. I was reassured by the testimony of the chairman of the board before the committee and in private about the attitude of the corporation in respect of the schedule of closures of mines. As I understand it the act requires that the government of Canada approve the report and that it be sent to the province of Nova Scotia for examination by the lieutenant governor in council. I believe that has been done. To my knowledge no objection has been taken by the provincial government to the general concept of the plan. At this stage I do not think it would be helpful if a conflict developed because the solution to this particular problem in Cape Breton is bound to require the support of both the federal and provincial governments since both are committed to the long term purposes of the Cape Breton Development Corporation. For myself I am delighted that the corporation has been established, that it is moving, that it has made certain significant proposals and is getting down to the very tough work of developing a method of adjustment for this very important Canadian problem.

Members of the house who are not from the province of Nova Scotia ought at least to be made aware that the coal industry in the island of Cape Breton has been the mainstay of the economy of Nova Scotia and that it has been accepted that this industry should be phased out over time. It seems to me that this indeed represents an attitude of acceptance that is not always easy to develop. It is an acceptance, however, that is based on the expectation that the phasing out will go along with a phasing in of alternative employment opportunities. That is the mandate the Cape Breton Development Corporation has had and it is the mandate the parliament of Canada will expect it to fulfil.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I wonder whether the minister would permit one question, although his comments could provoke others. Would he

agree that the legislation refers specifically to the phasing out period as a 15-year period? Would he also agree that the projected plans of the Cape Breton Development Corporation do not set out anything specifically concerning what the intentions of that board are? The minister will also recall that during the time this legislation was before the house it was continually emphasized that not only the jobs of the miners but also the mining communities would be protected. Would he not agree that this was the case and that we were given this assurance at the time of the passage of this legislation.

Mr. MacEachen: The minister of regional development will be answering with regard to the policy behind the legislation. The broad purpose of the bill itself was set out in the preamble. Certainly no one need be in any doubt concerning the position that has been accepted by the parliament of Canada.

Mr. Stanfield: Mr. Chairman, I do not rise to be controversial, although I must express a little surprise at the Minister of Manpower and Immigration going back to the undertaking of the fall of 1965. I would not have raised this myself, but I must say quite frankly I do not believe it was actually done in conformance with the undertaking given in the fall of 1965. I say this simply because I do not wish to sit here quietly while the Minister of Manpower and Immigration gives the impression that what has actually been done constitutes in effect the opening of the Lingan mine and modernization of existing mines.

Mr. MacEachen: Mr. Chairman, there obviously is a very great difference of opinion between myself and the Leader of the Opposition. I was attempting to argue that without the policy declaration of 1968 the Cape Breton Development Corporation would hardly have taken the form it did.

Mr. Stanfield: As I say, I do not wish to prolong any controversy but just wish to make it clear that the opening of a new mine and the phasing out of the other mines with the possible exception of mine 26, which as I understand it is the plan, was not contained in the assurance of 1965 which definitely gave people the impression that the existing mines would continue to operate but under improved conditions. I do not wish to argue the point. I simply want to make the point that I cannot agree with the Minister of Manpower and Immigration when he says that the policy statement of 1965 has in fact been carried out by the government of Canada. I cannot accept that statement. I must say that the fact that the minister felt it necessary to go back to 1965 and go over the ground indicated to me that he perhaps has a little something on his conscience in this regard. However, I do not wish to thresh old straw today unless the minister chooses to continue to do so.

There is a vast problem involved here. I hope the Cape Breton Development Corporation will concentrate heavily on an attempt to develop alternative jobs as well as give its attention to humane ways of phasing out existing employment in this whole industry to the extent it is considered necessary. I should like in particular to associate myself with the remarks of the hon. member for Cape Breton-East Richmond with regard to retirement pensions and the means test. I do not wish to be unfair about this, but as I understand it the pension is reduced to some extent if a person on a pension earns money. I suggest this is unfortunate. I would hope this policy in fact would be reviewed and that a man who is retired and has the good fortune or perhaps the enterprise to supplement his income would be permitted to earn this additional income without his pension being decreased, because to the extent that his pension is decreased as a result of additional earnings he becomes a prisoner of the pension he is receiving. As I have suggested in other circumstances, there is far too much imprisonment within the pension and welfare structure in our country today. I would hope that this situation could be reconsidered in connection with the Cape Breton Development Corporation so that a person who has retired on a pension at the age of 60 would receive that pension as of right and indeed be encouraged to supplement that pension by being able to retain any supplementary earnings without his pension being reduced.

There is a great deal that could be said on the subject of development in Cape Breton Island. I simply hope that Devco in co-operation with the government of Nova Scotia and these agencies can make a very determined effort to attract additional industry to the area. There has been some success in this regard, and I hope the emphasis will be placed upon development and not simply upon phasing out the coal mines. I say this most earnestly.

• (4:50 p.m.)

Before I sit down I should like to ask the minister whether he can give us any information about the government of Canada or Devco, whichever is the appropriate agency, reaching an agreement with the Dominion Coal Company or other companies on the price to be paid for the coal resources or the mines as operating units. Can the minister tell us whether any agreement has been reached in respect of the price to be paid for the mines?

[*Translation*]

Mr. Marchand: Mr. Chairman, I must be a very naive member and a very uninformed former union leader because I would normally have expected a report such as this, coming before the house—independently of political parties because it is not exclusively the work of the people on this side, but a joint effort with the Nova Scotia government and labour unions—to stir up at least a little enthusiasm and satisfaction with what a corporation, which I do not own personally but which belongs to all Canadians, has managed to do, something extremely difficult, while safeguarding the fundamental interests of the workers.

I confess that I am disappointed, not because there is criticism—that is normal, even what seems perfect can always be criticized—but because there is a lack of enthusiasm, a lack of gratitude towards those who worked. I do not mean the government but those who really try to help the miners and help the development of Cape Breton, Not only is there is no enthusiasm, but there is even an attempt to minimize the efforts that were made, and I shall explain it.

The hon. member for Cape Breton-East Richmond (Mr. MacInnis) spoke of a $2,400 pension for bachelors with no dependents, and of a $3,000 pension for those with dependents. There is more than that, Mr. Chairman. A bonus of $50 for each year of service up to a maximum of $500 is given to those who are forced to retire and they receive a comparable sum when they reach 65, which is the normal retirement age.

The provisions in the act concerning the leave prior to receiving the pension also provide for the payment of a certain percentage to compensate for the 2 per cent increase in the cost of living.

Mr. Chairman, I have spent my whole life negotiating collective agreements and trying to protect the workers. I have known a great many affiliated unions both in the C.L.C., the old C.I.O. and the central which I represented. I have seen all sorts of agreements concluded in similar circumstances. Not a single one of them, Mr. Chairman, remotely resembled this one or could be compared to it, whatever the strength of the unions represented. The Canadian government, in co-operation with the government of Nova Scotia, the miners and their representatives, seems to understand the problem rather better than some of the hon. gentlemen in this house.

All these people, in my opinion, are creating an extremely interesting precedent. I have not seen anything like it, Mr. Chairman, not even when I had to deal with other industrial concerns, for example the shipyards in Lauzon. The hon. member for Frontenac has left, but he could perhaps have compared the two cases earlier. The George T. C. Davie company decided to close down because it is not making enough money. Workers are dismissed without any pension or any protection whatsoever. Nevertheless, they are Canadian citizens like you and me, as the coal miners of Cape Breton. They are human being who have responsibilities, who enjoy life; but they have received nothing at all. They will have to get unemployment insurance and if they cannot find a job, they will be distitute. That is one case among others.

It is not because I regret what is happening in Cape Breton Mr. Chairman, because I do not regret it. I feel that what is going on in Cape Breton should happen everywhere in Canada. We should not allow people to be harmed as they are very often when plants are shut down. They are merely left with their small pension or they have to obtain unemployment insurance, because they have no other choice. Here are workers who remain with an uneconomic business which costs the Canadian government $28 million a year. Every ton of coal extracted costs the government and the company $15 and brings $6. It takes a long time to make money that way.

This is a truly unprofitable undertaking and if it had been administered by private individuals—that is to say, if the government had not taken an interest in it, and here I am talking about the Nova Scotia government as well as the federal government, it was not a matter of pettiness—they would have laid off those people years ago. They would have closed the coal mines and, in fact, those people would be in the most dire need.

But under an agreement, the Devco—of course that is its task and, no matter how it is interpreted, reading the preamble to the act is enough to be convinced—was set up to put an end to the production of coal in Nova Scotia unless it becomes profitable. That is the very objective of the undertaking and it is clearly stated in the Act.

• (5:00 p.m.)

It is very well to refer to past speeches or statements, but the legislation which was passed by the Canadian parliament, is very clear. But according to the legislation, workers must be taken care of and given human working conditions, and Devco does that.

The hon. member for Cape Breton-East Richmond wonders by what right—and he appeals to my trade union experience—an employee can be forced to retire at 60, or be encouraged to retire between 50 and 55?

Unfortunately, there is in our society no legal right to a function. Under what statute do I breathe? I do not know. Under what statute is an employee without work dismissed? None that I am aware of. No worker, except in very special cases, has a legal right to the job he holds. That is why, every day, employers lay off workers who are no longer needed, and the unemployment insurance or other social welfare programs take those workers in charge.

I do not need to find a statute that authorizes Devco to do the same. Furthermore, the hon. member could read section 18 of the Act, which provides for the retirement of coal miners. I do not have to refer to other statutes. If that were the only problem to solve, it could be done easily. It is clear that Devco has not only the right to do such a thing but, according to the law, everything shows that it has the obligation to retire miners who are no longer needed, but also to make sure at the same time that those people are treated in a human way.

The honourable member suggests that I be more generous with regard to the pensions. I could be, it is not my money. However, I feel that for 150 reasons—for which I am not responsible—the workers of Cape Breton are really, at the present time and compared to the rest of the Canadian workers, getting very special treatment, which I would personally like to see generalized and incorporated in our statutes.

I do not mean that the Cape Breton miners are exploiting the Canadian society. That is not true. That is not what I mean. What I mean is simply that they are fortunate in having, at the present time, the government of Canada as an employer; and that does not mean that the government members are the only ones who take into account and protect the interests of those people.

Obviously, that money comes from the Canadian taxpayers. Perhaps $10,000 a year, $15,000 or more could be given those miners. But, keeping in mind the average salary and what is now going on in our Canadian society, I feel that the coal miners in Cape Breton are not ill-treated. On the contrary, they are getting better treatment than any of the workers I have ever known, and surely I have known as many as most of those now sitting in this house.

Naturally, they will not go to Florida with $3,000 a year, plus two $500 bonuses and a 2 per cent increase in their annual income. They will certainly not buy yachts on that kind of an income. But there are many Canadians wo do not go to Florida, who do not own yachts and who do not have a $3,000 annual pension. that is normal in that field. The member is shocked and says that the miner in fact is paying the Canadian government or Devco a subsidy. Let us not carry absurdity too far. The whole undertaking now exists thanks to government subsidies. It could not survive a single day were it not for the money of the Canadian government. So, to say that the miners pay a subsidy to Devco is really, to my mind, overstepping the mark.

Mr. Chairman, as far as coal is concerned, I believe the house has good reasons to be happy; those who are responsible for the setting up of Devco have made a very good job of it. I hope the Devco's authorities will soon come to an agreement with the Miners' Union so that the collective agreement will be signed and, thus the purposes of the legislation achieved.

The case of the railwaymen has been mentioned earlier. I think that the point raised is important and serious. The solution will not be easy to find, and I do not intend to discuss it here, in the house, this afternoon. However, I am prepared to admit that a particular problem exists there and I shall no doubt have the opportunity of discussing the matter with the people involved in order to try to find a solution to this problem. Apart from that, I think that the Devco plan corresponds exactly to the letter and spirit of the legislation passed by the House of Commons.

Mr. Chairman, if I may express a wish, I would like some day all workers in Canada to enjoy the same kind of protection in the same circumstances. If the labour unions ever succeeded in reaching that goal, I think they could congratulate themselves.

As to development, at this time one can talk indefinitely about it. The member for Oshawa-Whitby (Mr. Broadbent) seems surprised that after eight months no definite development plan has been brought forward. Perhaps he knows more than we do on the subject, but at all events I would have been surprised if there had been one.

When I think of ARDA in the lower St. Lawrence, when I consider what is happening now on Prince Edward Island, and what happened to all the programs established not only by us but also by all provincial governments, I suggest that after eight months, it would be unfair to cast stones at Devco and blame it for not having found magical solutions to the development problems Cape Breton Island.

Certainly some elements for solution, have been found and efforts are being made, but I think it is too early to either applaud or to criticize.

Personally I think that Devco should be congratulated. The opening of the Lingan is considered by some to-day as a mere trifle, but for me and for the miners I have met, it is more than a trifle, it is truly a harbinger of hope, and that is what counts for them; I believe that the miners must be happy, even if some people here, in the house, see the dark side of everything—as dark as coal. In my opinion, Devco has done its work well.

On the other hand, I think it is too early to judge. However, I am well aware that construction of a motel has been discussed. Obviously, Devco does not intend to develop the tourist industry as it would be unwise in the first place and rather childish. However, if some economic development is to be achieved in Cape Breton Island and if technicians are to be attracted there, there are housing problems to consider. It will be necessary for Devco to accommodate these people in Sydney if they are invited and are interested. This is quite a secondary aspect and it has no bearing on development as such. This is indirectly connected and it is somewhat premature, I think, to blame Devco at this point.

I was asked why Dosco was making money at the present time, since it was taken over by the government, while as a private enterprise, it was losing money. There are several reasons, and not just one, as some would seem to think.

• (5:10 p.m.)

I do think that this example would not be enough to prove that any government corporation is necessarily more efficient than private enterprise, precisely because Dosco assets were obtained at a very good price. In fact, what we will pay for Dosco will certainly be a terrific bargain which does not happen every day. Capital costs are much lower and besides, at the present time, there is a good morale among Dosco workers which did not exist previously. It seems that a new cooperation prevails and even that the present unity of management is also one of the reasons why the company now makes a profit. There is also the market, since the railway track market is rather prosperous at present and Dosco benefits therefrom.

I do not think one can come to any conclusion, but if one wants to know why Dosco is now economically sound, whereas it was not before, I think it is not enough to say simply that the state took over, although I am not ready to speak favourably at this point of the efficiency of the managers of Dosco before the state took over.

Anyhow, the hon. Leader of the Opposition (Mr. Stanfield) asked me whether an agreement had been reached with Dosco and with the companies which had businesses before. I know that negotiations are taking place. Unfortunately, I do not know what stage has been reached, and I can give no information on the subject at this time. I know that lawyers are meeting and that discussions are taking place, but I am completely in the dark as to their results.

Mr. Chairman, this is a most interesting experience from a human point of view. I am referring to Dosco and Devco. This experience shows that the interests of the workers can very well be looked after. The government of Canada and those who dealt with the situation on behalf of the government of Nova Scotia—a highly industrious area, trying to expand and to cooperate—should be commended. Hats off to them. This is one of Canada's worthy projects and I hope it will be carried through.

[*English*]

The Chairman: The Chair is ready to recognize the hon. member for Cape Breton-The Sydneys, but may I ask first whether the

hon. member for Oshawa-Whitby is rising to ask a question?

Mr. Broadbent: I have a question with reference to what the minister said in reply to a number of my questions. In turn, I want to ask him a question with regard to his reply.

The Chairman: The hon. member for Cape Breton-The Sydneys.

Mr. Muir (Cape Breton-The Sydneys): Mr. Chairman, I thought the minister rose just to answer the question posed to him by the Leader of the Opposition. However, he went on to deal with other remarks. I would have spoken at that time but I did not want to interrupt him.

I had not planned on saying anything much in this debate because we spent some hours in committee with the officials from Devco; in fact we had two meetings with them. Frankly, they were much more enlightening than the minister has been up to the present point. The only problem we had in the committee was that the chairman seemed to be herding the committee members like a fussy old schoolmarm. He kept hurrying us along although there were a few other questions we wished to put to the officials. He was in a great hurry. Perhaps he was afraid we might ask something which might embarrass either the government or Devco.

Mr. Marchand (Langelier): Ask it now.

Mr. Muir (Cape Breton-The Sydneys): The minister should relax. A few moments ago we were almost deafened by a man who was carried away by the sound of his own voice. I hope he will relax and allow us to say a few quiet, mild words because we certainly did not interrupt him when he was speaking. I might say in passing that after listening to such verbiage and verbosity I can now understand why the C.N.T.U. did not get very far in the province of Quebec when he was their leader. In any event, we will deal with that later.

Mr. Marchand (Langelier): You can deal with it now.

Mr. Muir (Cape Breton-The Sydneys): The minister is in a very touchy mood today. It is shocking. I see he had to bring in the representative in the cabinet of the province of Nova Scotia to bail him out, so now he is getting very important. In any event, I was glad to hear the minister in his opening remarks reaffirm and confirm what Mr. Gerald Blackmore and Mr. Douglas Fullerton, vice-president of Devco, said. They stated there would be no lay-offs of coal miners, no one would be put on the street and absolutely no one would be displaced until alternative employment was found for them. I was very glad to hear the minister reaffirm that statement. However, we have not seen much evidence of it. I fully agree with the minister that it is only seven or eight months since Devco started its operations and they have not had too much opportunity to produce very much in the form of new industry. But they are working hard and I have good faith in them to the extent that I think they will do the best they can to try to bring in new industry. They have made some steps along that line up to the present time.

The minister suggested that questions be put to him. I shall be glad to do so and I hope he will be in a position to answer them. My first question concerns the decision concerning pre-retirement. Were the amounts of $2,400 and $3,000 decided upon on an actuarial basis as is done by life insurance companies with regard to pensions, or how was the decision reached that $2,400 would be paid to single employees without dependants and $3,000 to married employees?

Second, does the minister not feel that the program which has been placed before us by Devco puts too much emphasis on tourism? Tourism is very important and I am glad to see that the corporation will promote it as much as possible and to the best of its ability. However, I am sure that the minister, despite his feelings of great importance today, will agree with me that—

Mr. Marchand (Langelier): The hon. member is childish.

Mr. Muir (Cape Breton-The Sydneys): I wish the minister would relax. I am afraid I might raise his blood pressure a few points. This bothers me no end. However, I am sure that even he will agree with me that not everyone can operate a motel or a service station, just as not everyone can operate a restaurant. However, these facilities will provide service, and thus tourism will be promoted. Nevertheless, great emphasis is put on tourism and I hope that Devco has not overemphasized it to the extent of forgetting something else.

There is another question I would like to put to the minister. There are approximately 2,000 men on pension on the island of Cape Breton. They are receiving the magnificient

sum of $35 a month and up. Will Devco give any consideration to bringing up the level of income of these people through a superannuation allowance because, as I mentioned in committee, when a large number of people are put on allowances of $2,400 or $3,000 this will definitely have an impact on the whole economy of Cape Breton island? Has this matter been considered by Devco? I asked that in committee and the answer was that Devco had considered it but they did not know if it would affect the total economy to such a great extent. Will the minister go into that matter with Devco to see if some assistance can be given to those people who were pensioned off prior to Devco taking over?

Mr. Marchand (Langelier): From what year?

Mr. Muir (Cape Breton-The Sydneys): Perhaps the minister could go back a period of ten years because he spoke about the great amount of money that would be saved. I think the minister should know that there are quite a number of people in Cape Breton who have received the magnificent sum of $35 a month from Dosco, and this is being continued by Devco. This does not constitute a large amount of money at the end of 12 months. It is surprising that the minister, who has had great experience with unions, should consider this to be a good pension. Frankly I think it is peanuts and an insult to men who have spent up to 50 years working underground, crawling around like rats in water in very hazardous conditions. This was the pay-off they received when they were finally forced to leave, some of them because their health was broken and they could not continue working in the coal mines. Perhaps out of the goodness of his heart the minister will go into this question with Devco to see if some consideration could not be given to these unfortunate people on pension.

• (5:20 p.m.)

Another question I would like to ask the minister is what consideration is being given to the opening of a new mine on the north side of Sydney harbour? I am sure the minister is very familiar with all this. The Princess colliery is operating on the north side and two or three other mines on the south side of Sydney harbour. They are all scheduled for closing by 1973 under the plan put forward by Devco. Mr. Blackmore said in committee that production per man had gone up tremendously. In view of this I asked him whether he would not consider maintaining the Princess colliery in operation. He could not say very much at that point, but he did say that we would have to wait and see what develops because what might be a good situation today might be a bad one tomorrow. Could the minister advise whether any consideration has been given to opening a new mine? The miners now have to go out more than three miles under the Atlantic ocean to get the coal and the long hauls involved in bringing the coal to the surface naturally increase the cost of production. While the phasing out of the Princess mine was taking place it would be possible to prepare new slopes on the other seams. By opening a new seam, naturally you are going to get cheaper coal because it is not going to cost as much to bring the coal to the surface. I was hoping the minister could take that into consideration in his discussions with Devco, since I am sure he works with them quite closely.

I should like to reply to some of the points that were made by the cabinet representative from Nova Scotia. He stated that the $25 million to which reference was made some years ago was never promised. I must advise him, and I am sorry he is not here at the moment, that this promise was used in Liberal advertising prior to the election of 1965. With regard to his remarks concerning the points brought up by the hon. member for Cape Breton-East Richmond, I may say we are all in favour of expanding the economy of Cape Breton Island. We are very pleased that the provincial and federal governments have gone into the oil business on the strait of Canso. We are very happy about any progress that is made in maintaining industries or bringing new industries into any part of Cape Breton Island. I think that what was worrying the hon. member for Cape Breton-East Richmond, and what worries me, is the fact that this development is 90 miles away. In the Glace Bay area and the Sydney Mines area mines are being closed down. What is going to take their place? We have people there almost of working age and there will be a number of people displaced. I would think it would only be right and proper to establish some industries close to the particular areas affected. This is the crux of the question at the moment. Is Devco going to give consideration to promoting industries in these areas?

Before I leave the cabinet minister from Nova Scotia, I may say I was glad to see him here today because I have been a bit worried about that hon. gentleman. He has no part to play in this house any more. He used to be

the fair-haired boy under Mr. Pearson but he has become the office boy under the present Prime Minister. I would hope that the Minister of Forestry and Rural Development, who has the ear of the present Prime Minister, would use his influence to see that the cabinet representative from Nova Scotia stays close to the Prime Minister and takes an important part in the operations of this government. I say this in all sincerity. When the Liberals had only 49 members he did a lot of hard work to bring the Liberals back to the government side of the house. During that period the present Prime Minister was calling all those 49 members, including Mr. Pearson, some unpleasant names. The cabinet representative from Nova Scotia is quite capable and I hope he will not be ignored continually. We may be on different sides politically, but I think the people of the maritimes, particularly the people of Nova Scotia, dislike to see the Prime Minister of this country ignoring the cabinet representative from Nova Scotia in the manner in which he has.

While the minister was speaking, Mr. Chairman, he mentioned the situation at Lauzon. It is not a good situation. In the same breath, he intimated that the millenium had come to Cape Breton and that all these coal miners, including the union head, Mr. Marsh, should rush to Ottawa and kiss the hand of the Minister of Forestry and Rural Development. He said that not a damned thing had been done for all these people at Lauzon, but look what the government is doing for the people in Cape Breton. The situation is a little different.

As I said, Mr. Chairman, I had no intention of entering this debate but as a result of listening to the minister and others I thought I should say a word. We spent a number of hours in committee going into Devco. We questioned the representatives from Devco quite thoroughly and they were quite happy to answer questions. They did not have any problems at all except that they were cut off by the chairman. The minister mentioned also the millions of dollars that had been spent in protecting the coal mining industry in Cape Breton and Nova Scotia. I would remind him, as I am sure he must recall, that indirectly many industries in Canada are protected by tariffs which are a form of subsidy. I mention only the white goods industry and the electronics industry. Name me an industry that is not protected. Millions of dollars have been spent under the Emergency Gold Mining Assistance Act. Many industries are protected. All the money successive governments used to protect the coal industry gave employment to Canadian National Railways workers and kept the dollar moving.

We hope we can find a solution under Devco, as the minister has suggested. We wish Devco well. I could not wish anything better for them. In conclusion, after listening to the minister all I can say at the moment is that a fellow by the name of Dwight Eisenhower said that in politics one should take everything seriously except one's self. I commend that remark to the minister after his actions today.

Mr. Broadbent: I have one question for the minister, Mr. Chairman, and then a couple of comments. For the sake of clarification, may I ask if I understood the minister correctly to say that before the compulsory retirement section is implemented, particularly with reference to railway workers, their union representatives will have an opportunity to renegotiate or reassess the proposals?

Mr. Marchand (Langelier): Mr. Chairman, I think they will have the opportunity to discuss their problems, yes.

Mr. Broadbent: I should like to comment on a couple of other matters. I noticed the minister did not reply to one point I raised, namely, the matter of a FRED program being a very important requirement in connection with any serious development of the Cape Breton area. This would be necessary to provide some kind of recreational facilities. Would this not be an important part of the Devco plan for the area? Would the minister like to comment on that?

• (5:30 p.m.)

Mr. Marchand (Langelier): Devco was specifically set up to phase out the coal mines and at the same time to try to find alternative employment for the workers concerned. So its role is quite limited. We are now setting up this new department of regional economic expansion, and it will be the duty of that department to do just what the hon. member is suggesting, to see, if we do need a FRED plan, that there is over-all development not only in Cape Breton but throughout the whole maritime region. This is not the objective of Devco but the objective of the department of regional development.

Mr. Broadbent: What I was suggesting, Mr. Chairman, was that this should be part of Devco's objectives.

With reference to my comment about the lack of concrete proposals in the plan that was presented to the committee, the minister said that the time had been too brief for this, that the issues are very complex and that we could not expect much more. In my earlier comments I think I suggested that I agreed with that at least in part. It certainly is a very complex problem and I do not think that any sensible person would expect the presentation of a whole range of programs.

However, we did expect a few things, and in this context one of the points I made was that the chairman of the board himself suggested to the committee that there were specific projects he had in mind but which he could not reveal to the committee because the public should not know about them. My point is that as members of parliament we should be kept informed. If it is necessary that these proposals should not be given broad publicity, then the committee should hold in camera sessions. Certainly I think we should have been able to make a more sensible assessment of what is being done.

I enjoyed the minister's comment about the relative efficiency of privately-owned versus publicly-owned enterprises. My point was not necessarily that it can be inferred that publicly owned enterprises are more efficient; I simply asked the non-rhetorical question whether the minister had any information which would lead the committee to draw some conclusions in this respect. Obviously, as a result of what information he did have in this regard the question still remains very much an open one, at least to me.

I was interested to note that the minister referred to the high level of morale which perhaps had contributed to the efficiency of the enterprise. This may be an indication that the sense of involvement and immediate concern evidenced by those who work for an enterprise has a direct relationship to its efficiency and may point to the necessity for some kind of legislation in this area to involve those who work in our enterprises at a higher level of intensity.

May I conclude with one general observation with reference to the minister's rather ringing defence of what is being done by Devco. I share the minister's belief that what Devco is doing compared with what has been done in public enterprises elsewhere in the country, and certainly in private enterprises, represents a very significant improvement. But I do not think he should suggest that it is up to the members of the opposition to stand and laud the government for what is being done; I do not think that is our function. The situation is an improvenent as a result of which most of the workers have benefited to a substantial degree.

I am a member of the opposition, and although the minister is not personally responsible he is a member of the cabinet that must be held responsible for what the government has done in the last few years for the average person in this country. Here one cannot make the same kind of defence. There is no capital gains tax. The Freedman report, which was published three years ago, still remains to be implemented. The government has failed to do a whole range of things that could be done for our workers, not only in the province of Nova Scotia but all across Canada. Certainly the government cannot take any pride for things done on this score.

Mr. Forrestall: Mr. Chairman, I should like to ask the minister a short question. About a year ago a firm assurance was given to the house by one of the minister's colleagues—I apologize for not remembering which one—that as a result of any of Dosco's actions on the island of Cape Breton there would be no immediate follow through to dispose of such facilities as the marine slip in the Dartmouth and Halifax shipyards and the Trenton works. Can the minister give us a further reassurance at this time, inasmuch as the agreement may be nearly concluded, that the status quo of one year ago will still prevail? If not, has Devco made any representations to Dosco in connection with other holdings of that company in Nova Scotia?

Mr. Marchand (Langelier): Mr. Chairman, as I have said, I am not in a position to give any information in this field; I just do not have the information at hand.

Mr. MacDonald (Egmont): Mr. Chairman, may I put a question in view of the minister's earlier remarks to the hon. member for Oshawa-Whitby. With regard to the possibility of the development program being extended beyond the basic terms of reference of Devco, is any consideration being given by the minister's department to some form of restructuring of Devco, as a result of which it may lose its status as a crown corporation?

Mr. Marchand (Langelier): Devco is authorized by the law to promote industrial development on Cape Breton Island. The only restriction is that the development be industrial. Devco is not a substitute, of course, for the department. The department has its own duties. What Devco is going to do is specially for the benefit of the coal miners and affects all communities on Cape Breton Island.

I do not know whether the hon. member's question relates to the possibility of there being a FRED plan for this region. If so, I think it is a little too soon to answer that question. First of all, we have to set up the new department and define its powers. I cannot answer that question at this stage.

Mr. MacDonald (Egmont): I think we know what Devco is doing now. The minister speaks for Devco though it does not actually come within his department. Nevertheless, what Devco is doing is quite different from various other programs of the government, and I am wondering what the future position of Devco is going to be as a result of the restructuring that is obviously going to take place.

Mr. Marchand (Langelier): Devco's objectives are laid down by law, and it will continue to be a crown corporation trying to fulfil the same ends.

Mr. Skoberg: Mr. Chairman, the minister may have answered this question previously, but can he tell me whether the effective date of the implementation of the pre-retirement plan has yet been decided?

Mr. Marchand (Langelier): I did not give any date. Even though the plan that has been outlined may not be part of the negotiations being conducted with the union, Devco has discussed the matter with the union. Probably as soon as there is some kind of understanding the plan will be implemented.

• (5:40 p.m.)

Mr. Skoberg: When the minister speaks of a union no doubt he is referring to the United Mine Workers Union. Other unions mentioned today will also be involved. I remind the minister that on page 164 of the Donald report there is a suggestion that an early retirement agreement will have to be negotiated by management and labour. Up to this time there has been consultation with labour, but no negotiation. I am concerned about some of the railway unions involved, particularly the Brotherhood of Railroad Trainmen and the Brotherhood of Locomotive Firemen and Enginemen. I ask the minister to make sure that no retirement plan is implemented until all the unions have had an opportunity to be heard.

Mr. Marchand (Langelier): Of course, it all depends on what we mean by negotiation. There have been meetings and discussions with all unions. As you know, it is not a contributory plan. Devco pays the full bill, and that is another reason to hold negotiations. As I said, there have been discussions with all unions, including the railroad unions. I know that on this particular point there have been difficulties, as I mentioned a few minutes ago. I do not know if I shall have to meet personally the representatives of the unions but I know the Devco people are going to, and I am ready to meet them too in order to iron out this situation.

Mr. Skoberg: The minister said, when talking about the pension, that the company pays the whole shot. But is this not a compulsory retirement plan which the company makes available to employees who have worked for Devco for some time?

Mr. Marchand (Langelier): Of course, once it is adopted it is compulsory. It is compulsory for those who were 60 years of age and over. Now it is only compulsory for those who are between 55 and 60 years of age. But the whole plan will be part of the regulations of the company.

Mr. Skoberg: I am sorry if I did not make myself clear. Was the pension available to the employees of Devco prior to this time a compulsory or voluntary plan?

Mr. Marchand (Langelier): Mr. Chairman, I am afraid I am not aware of this. I will seek the information and pass it on to the hon. member.

Mr. Skoberg: Mr. Chairman, I hope that all unions and all representatives of the employees involved in this Devco operation will be given an opportunity to be heard before the implementation of any pre-retirement plan. That is very important, and the Donald report spoke about this matter. Unless the company can bring about good management-labour relationships a very serious situation could result, especially if some of the bargaining units were left out of the negotiations.

Mr. Stanfield: Mr. Chairman, I do not wish to sound officious but may I point out that I know something about the background of developments in Cape Breton. Actually the pension payable by Dominion Coal Company to Dosco coal workers is not a contributory plan. It is a very modest pension. For many years efforts have been made by governments of Nova Scotia to get a contributory pension plan established. The government of Nova Scotia more than 20 years ago offered to contribute toward coal royalties, under a three-way business arrangement, in order to get a contributory pension plan established. For a variety of reasons it was not so established. Any pension payable by the coal company—

Mr. Muir (Cape Breton-The Sydneys): Was at the will of the coal company.

Mr. Stanfield: As one hon. member says, it was at the will of the coal company. The pension was not contributory and was quite inadequate.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, at one time I argued before the Minister of Finance that Dominion Coal Company did not pay a pension to its employees but a gratuity. The minister saw fit to tax that gratuity.

In my general remarks earlier this afternoon I hope I did not leave the impression that everything is wrong with the Cape Breton Development Corporation. The minister took that interpretation and, by shouting the way he did, only succeeded in drowning out the House of Commons interpreter.

Several of the minister's remarks are in complete disagreement with certain answers he gave to my hon. friend from the N.D.P. The minister referred to negotiations with the unions. A thin line must be drawn between negotiations and discussions. As the vice-president in charge of coal said at one time, there is nothing in the legislation requiring Devco to negotiate with the unions. I asked him whether the matter we are interested in this afternoon had at any time been discussed and he said, yes, it had been discussed with about 90 per cent of the members of one union but not with the members of all unions involved. The hon. member from the N.D.P. asked a question about this matter. I understand that only one union was involved. I think it is correct to say that a retirement plan was drawn up and presented to the United Mine Workers for approval. Possibly such a plan was presented to other unions, but there was absolutely no negotiation.

[Mr. Skoberg.]

When the minister says that there have been negotiations with unions I think it will be found that he erred.

Mr. Marchand (Langelier): Mr. Chairman, I do not understand in what I am wrong. Is it because I used the word "unions"?

Mr. MacInnis (Cape Breton-East Richmond): I think the minister referred to negotiations or discussions with the unions involved. This is not the case. I think it will be established by reading the reports of the area development committee that this was not a negotiated plan. According to the information presented to the committee, this plan was drawn up and presented for approval.

The minister spoke of how well Cape Bretoners are treated, implying that we ought to be most grateful for the grant which the federal government pays toward maintenance of coal operations. I think reference was made to a subsidy having been paid over a period of 40 years. By the same token, would it not be interesting to look at the protection afforded the uranium industry in which the Prime Minister is personally involved, since part of that industry has dealings with his constituency?

An hon. Member: Cheap.

Mr. MacInnis (Cape Breton-East Richmond): At the same time let us look at that colossal white elephant which will require subsidies, subventions or what have you from now until eternity. I speak of the St. Lawrence seaway which was to benefit the area between Montreal and Toronto.

An hon. Member: Shame.

Mr. MacInnis (Cape Breton-East Richmond): Did anyone ever say clearly what the cost would be to support this white elephant? We hear talk about subventions on coal over the years. What was invested in the seaway? More than $500 million, and it will be a burden on the Canadian taxpayer forever. If they want to begin cutting out these things which they claim they are supporting, why not cut out the seaway?

• (5:50 p.m.)

I see some hon. members are laughing. I invite them to check into this. They will be able to verify my statement that the seaway was built for the purpose of providing hydro for the sake of Ontario and Quebec. It was supposed to bring the farmers six cents more on every bushel of grain sold. But the farmers have the same problem today as they did then. It has been before the house day after

day for the last three weeks. They are still looking for box cars to carry their grain.

The minister implies that Cape Breton should be grateful for what is being done for the island. I suggest members should look around at what is being spent in support of other industries in this country and keep in mind that on the very day the corporation came before the committee saying that one of its biggest problems was transportation, an announcement came from the west coast that Kaiser was thinking about shipping coal from Cardiff, Wales. And the development corporation complains about a transportation problem!

Certainly we have a transportation problem, but it is mostly underground. Dr. Donald never went down to see it, though. The government put so much faith in his report they were willing to condemn the report of a previous commissioner who maintained there were 190 million tons of Cape Breton coal which could still be economically mined. Dr. Donald never went to the Cape Breton coalfields. He never went into a mine. But the previous commissioner did, and if the minister would read his report, which is available to him, he will see it is estimated there that 190 million tons of Cape Breton coal could still be economically brought to the surface.

The minister referred to the preamble to the bill. I would ask him to look at it closely and show me where there is authority given to the corporation to phase out this coal mining operation over a five year period in accordance with the plan to which reference has been made. I will read the preamble:

> Whereas it has been estimated that the realistic working life of the Sydney coalfield on the Island of Cape Breton is only about 15 years and that as a result of rising operating costs the future operation of the mines in the coalfield will require the continuance on an increasing scale of the subsidies and other government assistance which have been provided over a period of almost 40 years—

They are rubbing it in. For 40 years the government has been helping them, it says.

> And whereas the mines in the Sydney coalfield are faced with imminent closure unless a substantial capital investment is made for their rehabilitation and modernization and as a result of the aforementioned factors and the substantial dependence of the people of Sydney and the surrounding area and of the economy of the Island of Cape Breton on the coal mining operations in the coalfield, a critical situation exists on the island which is a concern to Canada as a whole;
>
> And whereas it is considered desirable and the governments of Canada and Nova Scotia have agreed that a Crown corporation be established to promote and assist the financing and development of industry on the island to provide employment outside the coal producing industry and broaden the base of the economy of the island, and to acquire the interests of the major coal producer in the Sydney coalfield and reorganize and operate the mines with a view to the rationalization of coal production therefrom and the progressive withdrawal of the corporation from such production in accordance with a plan that takes into account progress in providing employment outside the coal producing industry and in broadening the base of the island's economy;

Where in that preamble does the corporation get the idea, as expressed on October 1, 1968, that it can close down this mining operation? It is stated here in the second paragraph of the report: "It is the intention of the corporation to reduce coal mining employment as quickly as possible." Let the minister show me how the corporation has been guided by the preamble to this bill, or, for that matter, by any portion of this legislation.

The minister should become acquainted with the terms of this measure. I would refer him to what appears a little farther on in section 19 where it is stated:

> (b) in accordance with approved budgets, paid to the corporation from time to time as required by it amounts not exceeding in the aggregate twenty-five million dollars for the purposes of reorganizing and rehabilitating the coal mining and related works and undertakings referred to in section 15 and for preparatory work in connection with conduct by the corporation of coal mining and related operations.

If the minister would read what section 15 says he would find it does not detract from the argument I am making now. The people of Cape Breton have been waiting for the fulfillment of promises made to them by this and previous governments with respect to the coal operation. They do not consider that the present and previous governments have taken into account the manner in which the nation was served by Cape Breton miners during the war when coal was so urgently needed. The corporation said it would spend $25 million on reorganizing the industry and rehabilitating the men concerned. Now it comes out with a report promising: We shall rid you of these men in five years.

The hon. gentleman talks about his concern for the unions. He says he believes there should be discussion with the unions. At the same time, the man in charge of the coal division of the corporation says before the committee that there is nothing in the legislation which requires the corporation to negotiate. According to him, these matters had not been discussed with the unions involved, and we were "drawing a thin line".

Mr. Marchand (Langelier): Not at all.

Mr. MacInnis: The minister is contradicting what he himself said a few minutes ago. He used the word "unions" and implied that this question was discussed with them and would continue to be discussed with them.

Mr. Marchand (Langelier): On a point of order, Mr. Chairman, it was stated in the committee that nothing in the law compelled Devco to negotiate with the unions, and that is true. But Devco had discussed the proposed retirement plan with them.

Progress reported.

AIR CANADA

PRESS RELEASE RESPECTING WINNIPEG OVERHAUL BASE

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, might I have the unanimous consent of the house to revert to motions for the purpose of tabling a press release relative to the Air Canada base in Winnipeg?

The Acting Speaker (Mr. Béchard): Has the parliamentary secretary leave to revert to motions?

Some hon. Members: Agreed.

Mr. Walker: I wish to table this press release, in English and in French. I believe it would be agreeable to hon. members if it were printed as an appendix to today's *Hansard.*

The Acting Speaker (Mr. Béchard): Is that agreeable?

Mr. Knowles (Winnipeg North Centre): I believe the agreement was to have it printed in *Votes and Proceedings* but I would have no objection to it being printed as an appendix to *Hansard* as well—or instead.

Mr. Walker: In *Hansard,* I think. It covers the hon. member's point.

Some hon. Members: Agreed.

[*Editor's note: For text of press release, see appendix.*]

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

THIRD REPORT OF STANDING COMMITTEE

Mr. Gaston Isabelle (Hull): Mr. Speaker, I wonder if the house would revert to presentation of reports by standing and special committees?

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

The Acting Speaker (Mr. Béchard): Does the house agree to revert to that item?

Some hon. Members: Agreed.

Mr. Isabelle: Mr. Speaker, I have the honour to table the third report of the standing committee on health, welfare and social affairs, in both official languages of the country.

• (6:00 p.m.)

[*English*]

The Acting Speaker (Mr. Béchard): It being six o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely notices of motions.

EXTERNAL AID

SUGGESTED INCLUSION OF FAMILY PLANNING ASSISTANCE

Mr. Lorne Nystrom (Yorkton-Melville) moved:

That, in the opinion of this house, the government should give consideration to including in its external aid program family planning assistance to developing countries requesting such assistance, and that the Government of Canada should take a more active role in the United Nations and in its specialized agencies in supporting measures dealing with world population problems.

He said: Mr. Speaker, hon. members will recall that about two weeks ago just after I returned from the war-torn region of western Africa I spoke in this house from an international perspective concerning family planning and the need to bring a certain amount of international feeling into it in an effort to see the problem from this type of perspective. In the debate on Biafra-Nigeria I said that this is an international problem. I said that the Nigerian-Biafran problem should concern all of humanity. I said it was a tragedy of the human race. I said that we are all brothers and should start thinking like brothers as if we are all part of a great united nations society. I said also that an ailment which affects one segment of society is a sickness which affects the whole of society.

As a result of such things I believe there is a growing awareness in the international community of international affairs and problems. People are becoming restless because of the type of thinking, the uncertainties they see in the world, the conflicts which are precipitated by the ability to make modern weapons, and the political institutions that are squabbling throughout the planet. People are restless because of what might happen if

we should have a conflict in the world. People are afraid of the bomb. Therefore the challenge in the world today is a challenge of a preventative nature in respect of an international disaster. In order to prevent such a disaster we must have some kind of policy throughout the world. We must first diagnose some of the symptoms of the disease which is plaguing our planet and devise some kind of a remedy. Today in the world we have a multitude of problems such as economic and social disparities, death, war, poverty, insecurity, fear, prejudice and discrimination. We have modern problems involving cybernation and technology in respect of our institutions and industry. There are problems of pollution and urban sprawl. But there is one major factor which underlines one of the problems in our modern society and that is the problem of population explosion.

What is population explosion and how significant is it in Canada? I should like to quote a few statistics in an endeavour to define the problem which confronts each and every one of us. Modern medicine and transport have brought a drastic decline in death rates so that population continues to increase at a progressively faster rate. In the year 1600, for example, there was a world population of 500 million people. It took a few hundred years to double that population from 500 million to one billion people.

In order to try to illustrate this I should like to backtrack a bit. In 1961 there were three billion people in the world. By the year 2,000 it is expected there will be 6.8 billion people. By the year 2050 it is expected there will be 25 billion people and by the year 2110 or 2150 it is expected there will be 150 billion people on the face of the world. The population is exploding in a geometric progression. This is the reason it grows so fast.

I should like now to quote some of the things Mr. Mel Thistle said when he was addressing the National Research Council. I believe some of these quotations will help illustrate once again the problem which is confronting us. These words might make some members of parliament sit up and face this problem. He said:

> I hope this figure will seize you, and make you realize that before you personally die, chances are there will be at least twice as many people as there are now, and that your own personal children will live to see eight times as many people burdening the earth as we have this moment. Have you any idea of what 25 billion people will be like?

It is about eight times as many people as we have today. Then he mentions a geometric possibility:

> If we keep up our present rate of procreation . . . the time is not far distant when the surface of the earth entirely will be converted to human beings, we will be expanding at several times the speed of light.

That is what is meant by the population explosion. We must take a sort of over-all national view of this because man's unprecedented numbers are placing a relatively tremendous and increasing demand on all parts of the environment—air, water, food and space. In this context no nation dares choose automatically for immediate selfish ends. To survive as a nation, choice must tend more and more to be in the best interests of humanity.

I do not think most people understand that the physical environment of the world is not infinite. The physical environment of the world contains many unrenewable items. Many of these items are already starting to be exhausted. In the United States, for example, today the people of that country are consuming about half the present world supply of unrenewable items and resources such as metals. When the population of the world doubles I wonder how many unrenewable items these people will consume. This in itself is a very frightening thought. I believe that these illustrations point out that something must be done and must be done very soon.

It is vitally necessary for countries with severe unemployment, under employment and rapidly growing populations to consider the problem of population control with the utmost seriousness. Some people argue that it is nonsensical to consider a population policy for the underdeveloped countries. History, they say, has frequently demonstrated that a close link exists between high income and low birth rate. They maintain that the birth rate will not fall unless incomes rise. They say it is a waste of time to suggest population control to governments of low income and developing countries. These critics buttress their arguments by stating that in many underdeveloped countries there are a large number of social and economic factors which make a high birth rate inevitable. There is the desire to have a surviving son, for example. Other factors are religious taboos against interference with procreative functions, a source of security in old age and the need of a large family to maintain a small or marginal farm. The critics also claim it is not possible to except a progressive attitude in the

developing countries when illiteracy rates are so high. They say that for these reasons any population control program would meet with little response.

I maintain that these views are precise but very debatable. To begin with, historical experience is hardly an adequate guide in a field where governmental action has been notoriously absent or undertakings have been negligible and disorganized. The chances of a population policy succeeding cannot therefore be discounted or ruled out. It remains sensible to propose such a policy as an alternative way of using resources to aid the advancement of underdeveloped countries. If economic growth is to be achieved then huge amounts of capital are required, and if this capital is to be created within an underdeveloped country by the country's own efforts it is necessary to direct resources from the production of goods for current consumption to the production of capital goods. This requires a cut in present personal living standards. If living standards are already virtually at the subsistence or poverty level, then such diversion is impossible.

• (6:10 p.m.)

This situation is often described as the vicious circle of poverty. It is described as such because when a country has limited resources per head it is poor, and because it is poor it can devote only few resources to creating new capital rather than producing goods for immediate consumption. Because little new capital can be produced, capital per head remains low. Because capital per head remains low the country remains poor. It seems to me this is tragic testimony that the natural methods of population check are still in evidence in our world today. These are pestilence, war and mass starvation. We could give many examples of these and Biafra is only one. People are starving all over the world and it is time that we as members of the human race opened up our eyes and started to do some planning. Canada as one of the more affluent nations has to take the lead in this activity.

The resolution now before the house is not compulsory nor does it infringe upon individual or the rights of countries. It only offers assistance in family planning and points out that many countries need this kind of assistance. Canada should take a more active role in international organizations and in trying to solve the world population explosion problem.

[Mr. Nystrom.]

I do not wish to say much more about this subject and I should like to hear the opinions of other hon. members. I hope this resolution will be allowed to pass for the consideration of the government of Canada because this is only one of a number of things we must do if we are going to create a viable world and a viable future for all members of the human race regardless of ethnic background, race, creed or colour of skin. This is something we can offer to do and I should like to see Canada as one of the better off countries in the world take this issue in stride.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, I am very happy to take part in the debate on the motion of my colleague concerning family planning.

Naturally, I am in favour of family planning in Canada, as I am for it throughout the world. But, I do not really agree with the motion, although the philosophy on which it is based has merit. I feel that were it to be adopted things might become a bit tricky, as it would conflict with section 150 of the Criminal Code which forbids publicity on, and I quote:

—any means . . . intended or represented as a method of preventing conception or causing abortion or miscarriage—

Now, as we are now dealing with contraception, it seems to me Canada would be ill-advised to give its support, through an agency, to fostering what is forbidden at home by the Criminal Code.

The philosophy on which my colleague bases himself has great merit, as I have already said. Three or four days ago, the president of India, Doctor Hussein, said that if the family planning program did not prove effective in India, its population of 500 million today would within the next 30 years grow to a billion people.

It is said that in India family planning is not readily accepted. I wonder what tomorrow holds if that program does not become a fact. I do feel that it does not fall to Canada to interfere in the affairs of other countries, in any way whatsover, and particularly in India where tradition is a way of life. From time immemorial, the Hindus have lived on a mystic plane. Cows roam the streets and it seems that a law cannot be passed to solve that problem. Now, if a country cannot even accept a law to protect the health of its population, one can imagine what troubles the government of India will have on its hands if it dares interfere with the women.

In another connection, I should like to say that Canada is not the guardian angel of the whole world. To hear some of the members speak of the problems in Nigeria, Biafra, Africa, Czechoslovakia, Russia, of the French students, of those of Quebec and Toronto, and Vancouver, one would think that the government of Canada should solve them all.

Canada is still growing and it has not yet reached maturity. Proof of this is that we still have growing pains and, like a good father, the government of Canada is awaiting the outcome, knowing full well since that we are still at the growing age, that we will know better days and that everything will one day become orderly.

As regards family planning, my colleague said the Canadian government or other governments dissociated themselves from this important question. Yet they could do this through certain organizations. If we intend to deal with it, we will have to consider its legal aspect. We can certainly not act in an illegal way and try to apply one of our laws in a foreign country. We would have, first of all, to amend the Criminal Code and I think we are coming to that, especially in the field of birth control.

It was said, moreover, that this problem belonged to the external aid program and that this organization could do something in that field. But it does not behoove such an organization to deal with problems of that kind. There is available a very well developed agency called the World Health Organization to which Canada has contributed financially. Many countries are making studies about health needs throughout the world. I think, therefore, that one day, through the World Health Organization, we should try to bring help to other countries in that field, if we can. We might be able to radiate in the world through that agency, as we have often done, especially in Lagos where one of the most modern schools of anaesthesiology in the world was set up thanks to our government's co-operation.

• (6:20 p.m.)

We did not give any money but we supplied the personnel and the equipment. We simply taught them how to do things and they learned very quickly, so that Canadians were able to withdraw from the program. That undertaking was lauched by the University of Toronto and today it has become one of the best schools of anaesthesiology in Africa.

Canada can give assistance, in various ways, in the field of family planning, which presents a very delicate problem, since it relates to the very privacy of the individual. Up to recent years, man was not especially concerned with the problem of his reproduction. In fact, nature ensured some sort of balance. There were illnesses, outbreaks of contagious diseases, wars and a very high rate of infant mortality. It must be said also that the population in the year 1600 took 250 years to double, but this has completely changed today. Formerly, when people wanted a family of two children, they had to have four or five, because of the high rate of infant mortality. So the increase in the world population was slow. Now, there is a population explosion because our sanitary measures and preventive and prophylactic methods have enabled man to develop tremendously.

In the Middle Ages, it was necessary to have five children to be sure to keep one or two, and to reach a decent average.

There is another factor which should be considered. It is pointed out in an article which my colleague, Dr. Mongeau of Montreal, the president of the Family Planning Association was kind enough to give me.

There is also a quite important physiological need for family planning. The Criminal Code should be amended as soon as possible to allow family planning which is urgently needed in 1968.

Nowadays, large families are no longer necessary, because we know that human life has been considerably extended thanks to modern technical and medical methods. It is now established that a woman who bears a child, needs 2 years to recover. The former custom of having children every 8 or 9 months, is out-of-date. In fact such a practice can have harmful psychological and physiological effects on the mother and I think that in 1968, it is the duty of young married couples to practise family planning. It is absolutely necessary that the mother should recover, physically as well as physiologically before thinking of having another child.

We know that nowadays, it is quite a psychological problem for a husband and wife to live together, and practise continence. I know that some members use without moderation a fruit that is no longer forbidden to them. That every appearance of the man in the house should entail the birth of a child nine months later, is a thing to be avoided. Some light psychological traumas must be prevented, because the strange thing about family planning is that it is always related to love.

The other day, I saw on a wall, in Paris, a poster that made me laugh. It said: The more I make the revolution, the more I make love, and the more I make love, the more I make the revolution. It was at the beginning of the term at the Sorbonne.

I suggest this shows clearly how people think in some parts of the world. This is the reason why Canada should not meddle too much in international affairs, since we are a people of wise men. We have always been considered as such by the whole world.

There are also sociological needs. The word stress is gaining momentum. Prolonged continence between husband and wife creates a kind of vacuum. They seem bored, both of them. At a certain point, they outgrow the love stage. Love becomes stabilized and cold, and then it often degenerates into hatred.

This is why family planning is one of the essential needs of the Canadian nation. There is no question in Canada of having any population explosion. We are only 21 million and our country could contain a great deal more. That is why we should not panic and start family planning on a large scale. It is necessary for the individual but not collectively.

Statistics could be quoted at length. Moreover, apparently the proportion of the population now living in cities is 61.6 per cent higher than in 1951, and it should be 72.14 per cent this year and 80 per cent in 1980.

Therefore, everybody will go to live in the cities and some solution to the problem will have to be found. I think the only solution is family planning. It is quite a feat today to bring up a large family, to educate the children and show them a bit of the world. Those who come to our offices always come to ask our advice about this problem.

I do not want to start a discussion, but I think one is often faced with a dilemma, and it is difficult for a doctor today, in view of our present laws, to give good advice, because he could be taken to court. It is rather ridiculous, but it is a fact and nobody says anything. No association has spoken out against section 150 of the Criminal Code. It is only in the last year or two that some hon. members asked, by means of a private bill, that this section be removed. Since this was asked, however, everyone has been saying: What is happening in Ottawa? They are dealing with matters of morality. It is terrible, it is simply awful. Members of parliament are dealing with matters which are none of their business. However, no progress can be made with regard to family planning unless that section is repealed.

Talking about family planning, it is always difficult to make plans concerning individuals. Everyone has his own individuality, his own views. We are all made of flesh and blood. Some are good looking, others are ugly. Those who are ugly will never become good looking and those who are good looking, one day, will become ugly. It is somewhat paradoxical, but it is still a fact.

If one wishes, planning can be applied to a corporation. There could be planning for progress as far as groups of men are concerned. In West Berlin a rather amusing development occurred with regard to morals. I was impressed. In the *Express* of March 1968, babies born in Berlin are mentioned. This is to show you that, at the individual level, it is difficult to undertake family planning.

Certain groups of architects had met and decided to build, in West Berlin an ultramodern residential district. They had anticipated everything, except that three and a half times more children than in the rest of the city would be born there. It is strange because everything had been planned; a difficulty was encountered because they had thought that a very small number of children would be born in that district, but at a given time, it had exceeded their forecast.

With 270,000 widows and a tremendous number of retired people, Berlin actually has the lowest birth rate in all Germany. It amounts to exactly half the national rate. No welfare legislation has been able to raise that rate. Government authorities tried everything, but nothing changed.

Thus, in the Humberstag, the district I am referring to, which was supposed to receive the same type of people, that is, retired men and widows, homes had been erected and public benches carefully provided where they could enjoy the sun until dusk.

• (6:30 p.m.)

Today, baby carriages go down ramps provided for passenger cars, expectant mothers occupy public benches and nurseries are sorely lacking in this so-well-planned area. Humberstag oddly registers 534 births per 15,521 inhabitants as compared to 100 for 10,000 in the eastern section of the city, thus exceeding briskly the German national average. Town planners and sociologists remain puzzled before this phenomenon and various theories have already been put forward.

The New York experience of 1965 is quite fantastic: a peculiar population explosion occurred nine months after a gigantic power failure, which put the city council on the track of the most likely explanation.

One Berlin town planner admits that there is so little entertainment in Humberstag—this famous plush place which had been built—that the tenants go to bed early, with the result that more babies are born there than in all the rest of West Germany.

In view of the complexity of the problem, I am in favour of intelligent family planning so that we avoid hara-kiri, or putting an end to the white race. That is what is happening with the use of the pill and other contraceptives.

But there certainly could be good, intelligent family planning, at the hands of people who know the problem and who know how best to make available the necessary information so that it can be used. Everyone does not understand what "family planning" is. There are girls in Canada who take the pill. That is not family planning. On the other hand, some women are afraid of taking it because they fear cancer. They believe they may get cancer, grow heavy about the hips, or have various aches and pains; and so they imagine, that they have no information with regard to that problem.

According to the Criminal Code, we may not distribute that information. I do not want to end my days in jail for having told a woman: You have had fifteen children; perhaps you could start taking the pill tomorrow morning and planning your family. I should think that with fifteen children, she has had enough; but I do not want to wake up in jail. I cannot say these things because I much prefer the atmosphere of the House of Commons to that of a jail.

Women should also be given a chance. We should have some sort of planning course similar to the one given by the Montreal Family Planning Association which is really quite advanced and has given excellent results.

In any event, I agree with my colleague. When the Criminal Code has finally been amended, I do think I will give him a helping hand so that together we may work towards that end and, through the World Health Organization, for instance, participate in a worldwide family planning program, because I know some countries are in dire need of it.

External Aid

Not so long ago, I was speaking to an education minister of Africa and I asked him: How many children do you have, Mr. Minister? I have nine, he replied. I added: Do you not find that nine children is a lot of mouths to feed? To which he replied: That is God's wish. I said no more. But I feel that bill might help those countries; but as I said a while ago, there is a lot of mysticism in those countries. Perhaps, having won their independence—but even that is not too sure—they might approach the problem from a non-sentimental angle. I hope they will do that and become a bit more practical. I think that everybody will benefit from it.

Love will flourish more than ever in Canada, and I know very well that governments are opposed to revolutions, as the Frenchman wrote on the blackboard: When I make the revolution, I make love! The more I make love, the more I make the revolution!

Governments can stop revolutions, but they will never be able to fetter love.

I am sure that with family planning, Canada will become the land of love.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I do not propose to make love or indulge in a revolution, but I would remind the hon. member for Hull that there is an amendment to the Criminal Code, section 150, which is contained in Bill S-15, passed by the Senate of Canada on November 19, which presumably awaits some activity in this House of Commons. So that his problems, in so far as that quite archaic and outmoded section of the Criminal Code is concerned, will be at an end. It is a rather interesting further example, if we need any more examples, of the public being light years ahead of legislators in so far as amendments to our public legislation are concerned.

I want to indicate my support for the motion and to commend the hon. member for Yorkton-Melville (Mr. Nystrom) for bringing it forward. It calls on the government to include in its external aid program family planning assistance to developing countries. In requesting such assistance it recommends that the government take a more active role in the United Nations and its specialized agencies in supporting measures dealing with world population problems. I do not have before me a list of statistics about the population explosion in the world. However I have one simple fact, that on the basis of present trends, if

there are not widespread initiatives by governments, by the year 2,000 the present population of the world, which is about three billion three hundred million people, will be seven billion. This is a prospect that I am sure should cause people in positions of responsibility very serious misgivings.

In the few minutes I have I want to comment on what I think is an important element in the motion, and that is contained in what to me is a clear understanding that assistance in this regard should be given to developing countries that require it. There is no suggestion in the motion of any efforts to coerce a country into instituting a program of population control. I think it would be a very serious thing if the western so-called developed and rich countries were to tie aid, assistance or funds through the World Bank, or any other initiatives that we might want to take in the development field, to an undertaking by the recipient countries to institute population control. I am afraid there is a tendency to use methods that amount to coercion. I suggest that these methods are now gaining favour at high levels in the international community, and I would like to object in the strongest possible terms to any suggestion or possibility that our country become a party to such methods, either in respect of aid programs financed by international agencies or through our own external aid program.

What I have in mind is that on September 30 of this year Mr. Robert S. McNamara, president of the World Bank, spoke to the board of governors of the bank and left the very clear impression that the World Bank would give preference in the allocation of development funds to those countries that have initiated programs of population control. Mr. McNamara, to my knowledge, has never denied that this is implicit in his remarks to the World Bank. Indeed the press reports written by those who covered Mr. McNamara's speech were almost unanimous in making the interpretation that he intended that the World Bank would give a preference to countries which had initiated programs of population control. I repeat that Mr. McNamara has never challenged that interpretation of his remarks.

What concerns me is that the first person who volunteered his enthusiastic support for Mr. McNamara's statement was none other than the Canadian Minister of Finance (Mr. Benson). According to a press report carried in the Toronto *Globe and Mail* of October 2, referring to the speech of the minister in Washington, our Minister of Finance said that—

> —he specifically endorsed the former U.S. defence secretary's intention to link birth control programs with injections of development funds.

The Leader of the Opposition raised this matter during the question period on October 1, but it was not until October 7 that the minister was back in Ottawa and offered an interpretation of Mr. McNamara's speech, and therefore of the minister's own support of it,—which has not been offered by anybody else, including Mr. McNamara. On October 7 the minister said it should be apparent that Mr. McNamara did not envisage giving first preference for World Bank loans to countries which are willing to initiate population control. It is apparent to whom? I ask because the minister himself quoted from the speech of Mr. McNamara, outlining the plans and intentions of the World Bank as follows:

> First: to let the developing nations know the extent to which rapid population growth slows down their potential development, and that, in consequence, the optimum employment of the world's scarce development funds requires attention to this problem.

• (6:40 p.m.)

The statement was phrased delicately and skilfully, I suggest, but there is no doubt as to what it means. What it says, in effect, is this, that scarce development funds must be sent where there is optimum potential development. Rapid population growth will stunt potential development, and therefore scarce development funds must be sent to developing nations that are willing to control rapid population growth. To insist, as the editorial noted, that development funds will go to countries conditional on those countries embarking on programs of population control, should of course be quite unacceptable to Canadians. To establish or support such a policy would inspire deep resentment and bitterness amongst the very countries that it is our objective to help. Most of them, of course, are not people of the white race. This policy would be construed by people in those countries as evidence of a feeling of racial superiority on the part of the wealthier countries. In the long run, it could only be a serious setback to world progress and harmony.

Perhaps at some time during this debate, although I see it is rapidly drawing to a conclusion, or at any rate at any early opportunity, some spokesman for the government will, I hope, dissociate our country categorically from any such policy. In an editorial, the

Globe and Mail commented on Mr. McNamara's speech and said:

> The danger lies in the interpretation that is already being put on his words—and reports of Finance Minister E. J. Benson's supporting speech on Tuesday back this interpretation. This is that the bank will link its development loans (for all sorts of projects) to readiness by the recipient government to start a family planning program.
>
> Washington has, with certain success, tied some of its alliance for progress aid to Latin American governments' acceptance of tax and agrarian reforms. But if Mr. McNamara attempts the same method for population control, it could badly tarnish the new image he is hoping to give the bank. Persuasive co-operation is one thing; economic coercion would set him in the role of anti-Pope, trying to answer encyclical with sanctions.
>
> In his annual report last week to the General Assembly, U Thant offered a different perspective. The population problem remained a major source of anxiety, he said, but a turning point had been reached in December, 1966, when the assembly adopted a resolution that recognized the urgency for action. Some 20 developing countries had already launched measures to moderate population growth, and others were contemplating similar schemes; but the transformation of traditional attitudes toward the family, U Thant warned, would be slow.
>
> The problem is of utmost importance—significantly it is the theme of this month's international teach-in at the University of Toronto—but Mr. McNamara may need to learn a lesson from U Thant, that a delicate rather than a dragooning approach is most likely to bring results.

As I said, I think the motion of the hon. member for Yorkton-Melville (Mr. Nystrom) is obviously a progressive step. It represents an intelligent, enlightened approach by our country. Let us by all means give family planning assistance to developing countries that desire it, but let us not associate ourselves with those who would take what I believe would be a backward step, by trying to bring economic coercion to bear upon countries in order to influence their domestic policies in this regard. We have had too much evidence of late of some people who criticize our welfare scheme by trying to suggest, for instance, that the entitlement of unmarried mothers to grants should be cut off if they have another child. This type of thinking, I am sure, is reprehensible to members of this parliament.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, the hon. member for Yorkton-Melville (Mr. Nystrom) has put on the order paper a notice of motion which he is presenting today and which reads as follows:

> That, in the opinion of this House, the government should give consideration to including in its external aid program family planning assistance to developing countries—

I did not know that in presenting his notice of motion, the hon. member would give such detailed explanations. I realized that he was very much impressed by his recent visit to Biafra. He saw for himself that thousands of children have died there since the beginning of the war. He has probably been given figures.

Personally, I do not appreciate the puns of the hon. member for Hull (Mr. Isabelle) who makes me think of a young girl standing at the corner of the street and saying:

I am for planning, I am against planning, therefore I shall like to be kidnapped, I should like not to be kidnapped.

It is rather funny to hear the hon. member, but since this notice of motion has been introduced and because it might have very serious effects, I will analyze the few figures which my learned colleague has quoted when introducing his motion.

I am quite disappointed that he should see in planning the solution to the problem. I am referring to a very large country whose population reaches the 650 million mark and which lives under the Communist regime. There was also on the democratic side a country which could have offset the Communist thrust if planning programs had not been implemented. I am referring to India which some day could have prevented the Communist Chinese from eventually dominating the world, thanks to the planning program advocated even by former prime ministers of Canada with the help of the World Bank. We can see programs being applied which will make the population of India decrease tremendously and the natural order of things will be upset.

When introducing his notice of motion, the hon. member told us that, at the present time, there are a lot of people without shelter. Do we lack materials or workers who would be willing to build houses? The Supreme Being—and I know that the hon. member is one of those who believe in Him—wanted every one to have a shelter and to eat three times a day. This is a question—and once more I put the motto forward—of making financially feasible which is physically possible. The hon. member will agree with me that science and intelligence have allowed men to achieve wonderful things which might make it possible perhaps tomorrow for human beings to reach the moon or other planets where they could live if, for instance, there

were too many people on earth. In Canada, as was mentioned by the hon. member for Hull, we do not have to worry about that, because there is room for millions of citizens.

● (6:50 p.m.)

I shall never be in favour of family planning, as family education is the thing. I still recall the words of a well-known Cardinal who said once: I am the thirteenth child in my family. He was not unwanted.

I knew an honourable senator who was the tenth child in his family, and also I knew the twelfth child, who became a member of parliament.

All this, Mr. Speaker, to say that there will never be too many intelligent people at the service of humanity.

The Supreme Being alone regulates everything in this world. We are but a drop of water in the ocean, we individuals. And that is why, as long as it will be possible to provide education for children, if a couple decides, to have so many children, they are free to do so. And since under the commitment made at the foot of the altar we accept responsibility for a family, we must show courage before that population explosion, that increase in population which is taking place today. We should ask instead for a system that would allow each and every citizen to have a home, a place to live decently.

I remember having read in history books that in our own province of Quebec had it not been for large families the French language would never have survived.

During the war of 1939-45 thousands of soldiers fought on the battlefields for that freedom which enables us today to speak freely still in this parliament. In the province of Quebec thousands of soldiers were not afraid—forced by conscription, I admit it—to go overseas to preserve that freedom.

How can we be sure that tomorrow we will not have to be even more numerous than we are now to fight back some invader who might want to drive us from that piece of land where it is good to live, where it is possible to get three meals a day. That is the problem. People are left in a state of misery they do not deserve, thousands of people who have not only life but intelligence.

All one has to do to find examples is to look around. Once it was thought that a way had finally been found to cope with the problem of the spruce budworm. Airplanes were used over the Gaspé peninsula to kill the spruce budworm with the help of DDT. However, as a proof that natural forces remain at work, forever maintaining the needed balance, by destroying the spruce budworm—on which fed thousands of birds—people also destroyed the lake and river salmon. So, in the Gaspé peninsula and in thousands of other places where this insecticide was used, people are deprived of a product which could be sent to Biafra had it not been destroyed by human beings. This goes to prove that man sometimes is self-destructive. Therefore, such a notice of motion cannot and should at no time be accepted.

Let God alone have the right to decide, if we systematically violate the laws of nature, what will happen to-morrow. Who can tell us that to-morrow, 650 million communist Chinese will not invade our territory? What forces will we have to oppose them? One of my friends went to China to deliver three ships built in Lauzon—this same shipyard which has been in the news lately—purchased by the government of Chiang Kai-shek. When he arrived in the capital, in Shanghai, the Communists were about to assume power. Mao Tse-tung was coming with his armies to drive out Chiang Kai-shek. My friend was in a position to ascertain that in the democratic system which existed in China in the past, people had not worried about misery. The problem had not been settled, and Mao Tse-tung, through an evil instrument, through communism, enrolled all these people and found in the soil enough to give food to 650 million Chinese. And my friend said to me that if ever each of those Chinese was given a rifle, it would be the end of life on earth.

Today, fifteen years later, we are faced by the problem of 650 million Chinese who have been enrolled by the communist system which gives them a decent living, gives them rifles and sends them to conquer the world, and we are powerless before communism, because capitalism does not have the answers.

Only we, on this side of the house, have always had the courage to ask for a system which, while making financially feasible that which is physically possible, would allow every citizen to live happily, to be ready to stand up and demand justice if those 650 million Chinese tried tomorrow to invade our country. We should say: I am ready, I stand up and fight because life is good.

The capitalistic system is outmoded to-day and we do not have the courage to request the establishment of a monetary system

which would allow us to find sufficient time to live and be happy. And to combat efficiently this perverse ideology called communism, I have found only Social Credit, the credit to society.

This is the reason why, on the contrary, I want the population to grow. I have seven children and I do not believe that I have one too many. If some hon. members in this house have a family and think they have one child too many, let them come and discuss the matter with me and I am sure that we shall part as friends, since they will be convinced that we should set an example and prove to the whole world that the mind is at the service of human beings, provided we establish a system allowing us to distribute such plentiful riches.

If my hon. friend takes pleasure in saying thousands of Biafrans are dying in Nigeria at present, I say to him that there are also in Western Canada 664 million bushels of wheat and we do not know what to do with them. Let us go back in history. I know that Joseph stored grain in order to be able to feed people during, the seven lean years. As for the wheat which is so abundant at the present time, we should send it where it is needed, for with that wheat, that daily bread, Biafrans would not be dying any more. Let us stop selling arms and protest to those countries who want people to kill one another. Instead of permitting a continuation of such a massacre, we could see to the establishment of a democratic system—

Mr. Speaker: Order. I regret to interrupt the hon. member, but the hour assigned to consideration of private members' business has now expired.

[*English*]

It being seven o'clock I do now leave the chair.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

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

The Chairman: Order, please. The house again in committee of supply on the estimates of the Cape Breton Development Corporation. The hon. member for Cape Breton-East Richmond.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, before six o'clock I was presenting arguments to the committee that had to do with the over-all plan provided by the government with respect to the Cape Breton Development Corporation. I could not understand why the minister had become so exercised. He said something about subsidies for Cape Breton coal operations going back over 40 years.

Mr. Marchand (Langelier): I never said that.

Mr. MacInnis (Cape Breton-East Richmond): I mentioned some subsidies which are paid in other parts of the country, and after that the minister decided, just for the sake of comparison, to talk of the problem of the shipbuilding workers at Lauzon. When one considers that the problems of those workers stem from a lack of shipbuilding policy on the part of the government, I fail to understand why he mentioned the subject. I asked the minister, "Why do you not introduce some sort of shipbuilding plan into that area, rather than throwing the workers out in the cold?"

The minister also referred to steel unions. He made uncalled for remarks in reference to the success of steel operations under the Nova Scotia government. Probably, as a matter of conscience, a government member speaking before 20,000 Cape Bretoners said the government was searching desperately for ways to assist them; yet not long after that the government cold shouldered a request for help in this steel problem.

The Leader of the Opposition asked, when speaking of this matter, what price is to be paid to Dosco and what is being negotiated with Dosco, what it is intended shall be bought from Dosco, and under what formula. Does the government intend to follow the formula set out in the powers of acquisition clause of Bill C-135 of the last session or will it follow what the Prime Minister laid down in this recent pronouncements with respect to offshore mineral rights? Perhaps some may think that a question like this ought not to be asked during this debate, yet I think it important enough to raise at this time. I wish the minister would explain what is meant by the powers of acquisition in this legislation. It seems that those powers give the government authority to purchase from Dosco lands beneath the waters adjacent to Cape Breton.

I have always contended that this piece of legislation, which grants a crown corporation authority to acquire land beneath the seas adjacent to Cape Breton, is a tacit recognition that the right to minerals under the sea in such an area vests in Nova Scotia. As I said, I shall be interested to know what is to be purchased from Dosco and at what price. Also, are the powers of acquisition under the bill not a tacit recognition that the mineral rights I have referred to vest in the province? Or, on the other hand, is it intended to follow the pronouncements of the Prime Minister in this regard, given without the advice of the Supreme Court of Canada?

The minister made statements about negotiations having gone on with unions. He talked of more than one union, using the word "unions". He also spoke of "negotiations". I point out that Devco officials coming before the committee said there were no negotiations. Those officials said they had dealt with one union only, after the retirement plan had been finalized. I point out that prior to the time the Devco people said there were no negotiations and prior to the meeting in which those officials said they had talked to about 90 per cent of the membership of one union, the minister said these words, as reported on page 3010 of *Hansard* for November 21, 1968:

> I understand that negotiations with the unions are still continuing on this subject.

The minister did not seem to know what was going on, yet suddenly he has become all knowing on the subject. The Prime Minister did not seem to know what Devco was. When the question was addressed to him he referred the matter, in the presence of the minister, to another minister, and then in turn to a third minister. As I say, the minister who should have answered was sitting there at that time. The Prime Minister did not know who was responsible until the report was presented to him.

• (8:10 p.m.)

The legislation specifies that there are other unions involved in this. I do not suppose the reference to these other unions would have been included if they had not meant that Devco should have been talking to their representatives before the finalization of any retirement or pre-retirement plan.

Before the day is over I think the minister will be quite familiar with the legislation he was supposed to have known before he came into the chamber. Let me refer to page 16 of this act, section 35 (2):

> Each trade union that on the day preceding the coming into force of this act was certified under the Trade Union Act of the province of Nova Scotia as a bargaining agent for persons employed by the companies in connection with the works and undertakings declared by subsection (1) to be works for the general advantage of Canada shall be deemed to have been certified under the Industrial Relations and Disputes Investigation Act on the day this Act comes into force as the bargaining agent for the person so employed by the companies in respect of whom it was so certified as bargaining agent.

Here is a clear indication in the legislation itself that Devco should at least have to talk to the various unions involved. The minister spoke of his experience with trade unions. He said that if Devco so wished it could arbitrarily pension men off at the age of 60.

Mr. Marchand (Langelier): The hon. member did not understand what I said. I never said that.

Mr. MacInnis (Cape Breton-East Richmond): I did not understand a lot that the minister had to say about this particular development plan. The fact remains it is pretty hard to understand him when he does not understand the legislation put forward.

Mr. Marchand (Langelier): Speak for yourself.

Mr. MacInnis (Cape Breton-East Richmond): The minister made mention of the preamble while talking about the over-all plan presented by Devco. This over-all plan says: "It is the intention to reduce coal mining employment as quickly as possible." I invite all members on the Liberal side to read the preamble in this legislation and tell me how those two statements can be reconciled. There is nothing in the preamble to indicate that it is intended to phase out these mines. In fact, the preamble says that every effort should be made to revitalize and modernize the mines.

Does the minister think that miners in Cape Breton should be grateful for what is being done with respect to pensions? Perhaps the hon. gentleman would take the opportunity when he gets to his feet to tell us what the pension set-up will be for the chairman and the other officers of Devco. I remind each and every member of the committee that under the act setting up the corporation the chairman and the president are appointed for seven years. The phrase used is: "not exceeding seven years". The governement is giving them a pension. Are these pensions to be just

below the poverty line? The minister says the miners of Cape Breton should be grateful—

Mr. Marchand (Langelier): I never said that.

Mr. MacInnis (Cape Breton-East Richmond): The legislation provides that the chairman and the president shall be appointed for seven years, and it authorizes the setting up of pensions for these gentlemen. If the minister is thinking of the pensions to be paid to the miners he should reflect on the pensions to be received by those appointed to this corporation for a period not in excess of seven years. He is setting up pensions for men who have given seven years service. But men who have given more than 40 years service to mining will in many cases get less than the poverty level as recognized by the economic council.

Mr. Marchand (Langelier): On a point of order, I never said the miners should be grateful. I did not say that, either in English or in French. Stop saying nothing.

An hon. Member: That's a new one.

Mr. MacInnis (Cape Breton-East Richmond): Well, does it have to be in the minister's exact words? I am paraphrasing what he said.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): Why did the minister compare what was being done for the Cape Breton miners with the action taken in the Lauzon situation?

Mr. Marchand (Langelier): I said that all the other workers should be treated in the same way.

Mr. MacInnis (Cape Breton-East Richmond): I will go along with that, if you treat every worker in the same way as you are treating the president of this development corporation, whom we appointed for seven years. Let the minister get up and tell us that he and his colleagues are going to receive a pension below the poverty line.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): What is bothering you? I recommend the reading of the act.

Mr. Marchand (Langelier): The act is there.

Mr. MacInnis (Cape Breton-East Richmond): You will find it all set out on page two in section four:

> The chairman and the president shall be appointed by the governor in council after consultation with the lieutenant governor in council of Nova Scotia, to hold office for a term not exceeding seven years.

Mr. Marchand (Langelier): Can they be reappointed?

Mr. MacInnis (Cape Breton-East Richmond): To familiarize ourselves further with the legislation, let us turn to page 14, section 28 (e) which says the board may decide—

> —respecting the establishment, management and administration of a pension fund for the president, the officers and employees of the corporation—

And after all that we are told: Be grateful for the below poverty line pensions to be provided for miners who in some cases have put in 40 years of service or more. I say to the minister that a lot of things need to be straightened out, and when the committee reports to the house I shall if necessary raise this subject on a question of privilege and prove from the written words in the records of this house as against the written words of the report of the committee proceedings that the statements made by the minister are not in line with the answers to certain questions given by some of the Devco officials.

As I stated earlier, the minister became agitated when I maintained that Devco should be channelling its energies in a certain direction. The tourist industry in Cape Breton is not a field which will generate jobs for miners.

Mr. Marchand (Langelier): I agree.

Mr. MacInnis (Cape Breton-East Richmond): Where, in the over-all plan presented by Devco, do we find any specifics? The minister talks about this report. In general, what has been undertaken by the corporation cannot be criticized because we cannot put our fingers on anything to criticize—we have not seen anything yet in the way of alternative job opportunities which the corporation is supposed to provide before any miner is displaced. I believe them when they say no miner will be displaced until alternative work is provided. But this approach along the lines of an early retirement plan, together with the idea of attrition, is not what the legislation intended. Whatever the minister may say was the intent of the legislation, it was clearly understood through questions and answers back and forth across the house when the bill was being debated that the welfare of the mining communities concerned would be taken care of. On a number of occasions assurances were given that nothing would be done which would be detrimental to the jobs of the miners or to the communities in which they live.

It has been suggested by one of the Liberal members to my right that we should buy them all a Cadillac.

• (8:20 p.m.)

An hon. Member: You are hearing voices.

Mr. MacInnis (Cape Breton-East Richmond): There is one voice I am not going to hear too long without doing something about it. As has already been said in this house, the hon. member must keep it up so that he will be recognized by his own Prime Minister.

Mr. Perrault: You are being psyched. I did not say a word.

Mr. MacInnis (Cape Breton-East Richmond): This reference to buying them all a Cadillac is just a callous approach, such as the Liberal members have in respect of this particular problem. If there is a similar problem in Lauzon, then it is their responsibility to bring it before the house to see whether there is anything that can be done about it. I doubt whether the minister knows what it is all about, but at least they could put the tab in operation so far as the Lauzon workers are concerned. There are a number of questions which remain unanswered by the Devco people, not only before the committee but also in the consultations between the minister and the Devco corporation. This afternoon I made some remarks of a critical nature respecting what I think Devco should be doing and where they should be channelling their energies. Because of that the minister allowed himself to be exercised. Now I should like to ask him whether he will assume his responsibility and answer some of the questions which have been presented to him, and then I shall have further questions as we go along.

Mr. Marchand (Langelier): Which question?

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I rise on a point of order. For the past 20 minutes and probably for 20 minutes before dinner I had indicated on a number of occasions certain questions which I thought the minister should take the responsibility for answering. I even repeated questions put to him by other hon. members, including the Leader of the Opposition. When I resumed my seat he then wanted to know what question I asked. I think that is a flagrant abuse of the approach to the whole situation.

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

[*Translation*]

Mr. Marchand (Langelier): Mr. Chairman, I will speak somewhat reluctantly, as I am convinced that my words will be distorted. I thought that by speaking in French, I would make myself better understood, but things seem to be even more confused.

[*English*]

In respect of the question concerning negotiations with the unions, when I answered a few moments before the adjournment of the house at six o'clock I said that there were negotiations, but I said it depends on how one defines negotiations. If the reference is to negotiations in order to reach a collective agreement, that is not what I had in mind. Of course there were no negotiations of that type. However, if you mean discussions and meetings between the union and the employer, there have been discussions not only with the mine workers but with the other groups. Is that clear? I do not know why the hon. gentleman insists on using the term "union". Of course I used it; why not?

Mr. MacInnis (Cape Breton-East Richmond): Is the minister asking me a question?

Mr. Marchand (Langelier): No. I just told the member I used the term union.

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Chairman. My point of order arises from the fact that the minister clearly indicated he was speaking to me and asked if it was clear. Therefore, on that particular point, I say, no it is not clear. The inference from the hearings of the area development committee will prove that point.

Mr. Marchand (Langelier): If this is not clear, then I am sorry because I cannot do better than that. I must use words to express opinions or ideas. It is very clear to me. I say there have been discussions. There have not been formal negotiations in the sense that those discussions were supposed to lead to a formal collective agreement.

[*Translation*]

With regard to the second question, the hon. member for Cape Breton-East Richmond said: "Where is it written in the act that Devco eventually intends to stop operating the coal mines?" Then he read the preamble, and it said precisely what I tried to explain to him. However, he said: "You can see that is not what it says". I shall therefore read the

third paragraph of the preamble again, Mr. Chairman; it says:

The aim of the corporation of—

[*English*]

—in the Sydney coalfield and reorganize and operate the mines with a view to the rationalization of coal production therefrom and the progressive withdrawal of the corporation from such production in accordance with a plan that takes into account progress in providing employment outside the coal producing industry and in broadening the base of the Island's economy;

[*Translation*]

Is that not clear? That is what it means.

However, the hon. member for Cape Breton-East Richmond reads it and says just the opposite. He says: "You can see that the aim is not to stop operating the coal mines". What can one do? I thought it was only when I spoke French that he did not understand, but apparently he does not understand me when I speak English either. Therefore I might as well give up.

[*English*]

Mr. Skoberg: Mr. Chairman, I am glad to hear the clap. I am sure this means that the Liberal members have not read the report of the hearing. I have one direct question for the minister. I am given to understand that the miners may be on their annual vacation as of December 20. I wonder whether this is correct.

Mr. Marchand (Langelier): Yes, I guess so, Mr. Chairman.

Mr. Skoberg: I am also given to understand that on January 2 the pre-retirement plan will be effective for the miners. They are to be given their holidays at that time and the pre-retirement plan will then go into effect.

Mr. Marchand (Langelier): I would not like to give any definite answer at this stage because there are still discussions taking place between Devco and the unions. I have no final report on this and, therefore, I would not like to say that this will happen in December or at the beginning of January, because it might be otherwise if there is some different understanding.

Mr. Skoberg: Before the dinner hour the minister nodded his head in agreement when I asked if he would answer any general representation particularly from the rail union people such as telegraphers, trainmen and engineers. Would the minister give the assurance that there will be no pre-retirement plan before all the representatives have had an opportunity to appear before him.

Mr. Marchand (Langelier): I have already met with the representatives of those unions. If they want to see me again I am ready to see them. If the miners reach an agreement with Devco on the pre-retirement plan I cannot say that I will postpone the implementation of this understanding. But I do say that before anything is done for those employees I am ready to wait until I have met with the representatives of those unions.

Mr. Skoberg: If I understood the minister correctly, this could become effective for the miners as of January 1—I am referring to the pre-retirement plan—but not necessarily so for these other employees to whom I have referred. Is that correct?

Mr. Marchand (Langelier): It will depend on the agreement Devco can reach with either the mine workers or the other groups. This I do not know. If the railway groups are not satisfied and wish to present arguments I can assure you that no final decision will be taken by Devco before I have met and discussed this with the railway employees.

• (8:30 p.m.)

Mr. Skoberg: I am sure that cleared this up and I thank the minister. I am also quite sure the minister will realize that the Canadian railway labour and executive association intend to meet with the minister in this regard.

My other question relates to whether the pensions for pre-retirement, being $2,400 for single individuals and $3,000 for married employees will bear any relationship to the number of children the married men may have. A married couple may have one child or ten children. I also understand that unemployment insurance benefits will be included in this package of $3,000 or $2,400. Is that correct?

Mr. Marchand (Langelier): That is correct.

Mr. Skoberg: Do the ministers feel it is fair and just for these people in this country to pay into this fund, from which they expect to derive benefits, and have those benefits included in this package deal for pre-retirement benefits? These people have paid into the fund for many years. Does the minister think it is fair to use this part of the fund in order to provide these pre-retirement pensions? I should like to ask the minister to

reconsider this matter, in so far as including unemployment insurance benefits with amounts of the pre-retirement fund?

[*Translation*]

Mr. Marchand (Langelier): On that point Mr. Chairman, I think that we can do like the hon. member for Cape Breton-East Richmond and say that the pension is not high enough. There is a lot to be said for that.

I also find that $3,000 a year is no fortune, as I said earlier. But the amount can be discussed.

However, when one takes into consideration the fact that unemployment insurance benefits serve in the definition or the accumulation of the amount, I feel it is unfair because in setting up the pension, these benefits are taken into account. These people enjoy special conditions where the state creates a pension of $3,000 a year, out of public funds, for someone who is, say, 55 years old. Under the circumstances, the amount cannot be divided and one cannot say: Do you think it is fair that they should lose their right to unemployment insurance? When in fact, the state has added to those benefits a considerable amount taken out of public funds.

If is the same as if we said to someone: The State is willing to give you $20,000 a year if you agree to give up your unemployment insurance benefits; and then that someone would come up and say: That is unfair because I have already contributed towards those benefits. I doubt that the matter can be discussed objectively on that level and I believe the member is right. If this were done, the ordinary worker would have no other income, and if the state gave him nothing else, I would naturally be first to blame those who acted in that fashion.

The over-all amount must therefore be taken into consideration and a decision reached on whether it is reasonable or not. But, to my mind, reference should certainly not be made to vested right under the Unemployment Insurance Act to its benefits, because of the amount that has been added.

[*English*]

Mr. Skoberg: I should like to ask one further question following those remarks. Does the minister agree that these people who are used to making considerably more than $3,000 but will be reduced to that pre-retirement level and that this creates a situation which will downgrade their standard of living considerably? I am referring now to these particular classifications within the employee group of the Devco corporation?

Mr. Marchand (Langelier): In this regard, as far as the miners are concerned, this will represent an average of about 75 per cent of their income. They are entitled to more income. It is expected that nothing will be subtracted from the first additional $50, and that for all amounts above the $50 only half will be subtracted. This will mean they will get approximately the same income. I do not say it is a very high income, but I do not think they will be badly treated. I think the hon. member probably had in mind the railroad groups. In this regard there is no doubt that there would be a sharp decrease in their income. This is why I mentioned that this is a particular case and perhaps we can find some kind of a solution. This does not involve a very large number. At the present time I think there are 22 of these employees.

Mr. Skoberg: Would the minister then agree on a percentage of about 75 per cent? Would that be realistic or would it be in that vicinity? In other words you would not downgrade a greater number and thereby lower that standard of living? Does the minister suggest that this is a realistic percentage?

Mr. Marchand (Langelier): I think the only suggestion I should make at this stage is that we will discuss all these problems with the interested parties.

Mr. MacInnis (Cape Breton-East Richmond): In order that the minister fully understands there are some questions which have been left unanswered, let me say that the pensions of these miners appear to be something of particular concern. I should like to ask the minister what the new development corporation plans to set up in the way of pensions for someone who is only to serve for seven years?

Mr. Marchand (Langelier): You are referring to those who will serve seven years?

Mr. MacInnis (Cape Breton-East Richmond): I refer to those who have been appointed to these jobs under the legislation, which require them to serve a period of time not exceeding seven years. Perhaps the minister could explain to the house what sort of pension setup these men will have.

Mr. Marchand (Langelier): I think the hon. member is referring to the president who can

be reappointed. In any event, the law is there and I do not intend to discuss a law which is on the statutes as approved by this house. That is not my purpose.

Mr. MacInnis (Cape Breton-East Richmond): The hon. minister was agitated earlier this afternoon when questions were put to him about the plans of Devco. Let me refer again to the fact that the chairman, the president and other directors are to be appointed. They all cannot be reappointed, and I should like the minister to indicate what plans Devco has in respect of their own pensions?

[*Translation*]

Mr. Marchand (Langelier): To my knowledge, Mr. Chairman, no plan has been presented to us with regard to the pension of Devco senior officers.

[*English*]

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, could the minister satisfy his curiosity, having regard to the specific plans put forward by Devco in respect of these pensions?

Mr. Marchand (Langelier): My curiosity for the time being is related to the miners and employees, not the president of Devco.

Mr. MacInnis (Cape Breton-East Richmond): Apparently the minister has misunderstood my question. I wanted to know whether he had concerned himself with the plans of Devco in respect of providing alternative work for the miners to be replaced.

Mr. Marchand (Langelier): Yes, Devco is concerned in this regard, as the hon. member knows very well. Devco is trying to find new jobs for those who are likely to be laid off. I do not think Devco has laid anyone off without being sure in advance that a job was available. If there is no job, there is the pre-retirement plan which applies.

Mr. Broadbent: Mr. Chairman, is the minister personally aware of any proposal for the development of alternative industry in the area by Devco?

Mr. Marchand (Langelier): Not personally, no.

Item agreed to.

40. Payments to the Cape Breton Development Corporation in accordance with terms and conditions prescribed by the Governor in Council, in respect of the rationalization and operation of the McBean Mine in Pictou County, Nova Scotia, and to and in respect of former employees of Acadia Coal Company Limited, and to authorize Cape Breton Development Corporation to manage and operate the McBean Mine pursuant to the terms of an agreement between the Corporation and The Pictou County Research and Development Commission and Thorburn Mining Limited, $930,000.

Item agreed to.

1. Administration, operation and maintenance, including Canada's fee for membership in the international commission on irrigation and drainage, $17,887,200.

Mr. MacDonald (Egmont): Mr. Chairman, I wonder whether the minister would like to say something at this time to inform the committee as to the position of the government in respect of regional development, or does he suggest we simply have a debate on these estimates?

[*Translation*]

Mr. Marchand (Langelier): Mr. Chairman, with regard to the estimates, we deal now with the aggregate of all the programs which were implemented and which the department under my leadership has inherited.

It is quite difficult for me at this time to make any comments or projections since these were already existing programs which the house is aware of, and which hon. members have already had the opportunity of discussing. When we study the new estimates the house will expect the minister, and rightly so, to give explanations and also to make projections so that it may know exactly in what direction the department is going.

At this time I shall try to give all the explanation I can about these estimates.

• (8:40 p.m.)

[*English*]

Mr. MacDonald (Egmont): Mr. Chairman, I must admit I am somewhat disappointed that the minister has decided not to make any statement to the committee, because it seems to me that we have been going now for far too long with very little by way of explanation as to what activity is at the moment taking place within the proposed new department or related to on-going programs which have now been placed under the responsibility of the minister.

It is close to half a year since the reorganization was announced by the government, and there was considerable discussion before that going back almost a year. We are on the verge of having in Ottawa a very important conference on the constitution. This will take place in a very few days. At the last such meeting one of the main points raised at the conference, originally by the premier of Nova

Scotia, was the whole question of regional disparity.

It is believed, not only by the premier of Nova Scotia but by the Prime Minister himself, that one of the basic issues that concerns us at this time is the question of regional disparity and its effect upon national unity and the future of this country. We had tabled in the house this afternoon a further document from a very expensive commission which studies one problem confronted by this country. Now we have a very brief opportunity of examining the estimates of a department that is charged with attempting to deal with one of the very basic questions of national unity, that of regional disparity.

This problem is not new; it is one that goes back to the beginning of this century and before. It has been suggested it is part and parcel of confederation, which is 100 years ago. I am, quite frankly, disappointed with the way the government has handled this problem. In spite of the fact that we are dealing with estimates which by and large have been spent, and with a department that has not been created, the minister has not been able to offer to the committee this evening any concrete proposals, setting of goals or indication of priorities. This government has failed to deal seriously with the problem of regional disparity. I speak for the people of my province and those of many other parts of the country who have been hoping the government would be serious in dealing with these questions.

An hon. Member: Speak for yourself.

Mr. MacDonald (Egmont): I am. You can speak later, if you wish. The approach to the problem of regional disparity seems to be somewhat in conflict with some of the actions already taken by the government. Anyone who remembers back to the latter part of this summer, just prior to the reconvening of parliament, remembers the announcement that the winter works program was to be abandoned, and must have wondered what thoughts were going through the heads of the leaders of our government when they were considering summarily to abandon a program which, allowing for all its faults, had achieved a good deal in shoring-up many of the areas of difficulty and chronic unemployment.

We were then delivered a budget which we thought might outline some of the fiscal and monetary priorities which are inherent in carrying out a program of regional development initiated by the government, at least in its initial stages. Instead, Mr. Chairman, we saw that this was a rich man's budget; that increased taxes were being levied on the lower income segment of our society. Then we saw a conference among federal and provincial ministers of finance in which it was suggested that in the foreseeable future the whole question of social welfare programs might be turned back to the provinces. This suggestion failed to recognize that such a program would create great economic hardship for the provinces and areas that the program was supposedly going to raise up under some kind of over-all program of regional development.

Tonight the minister suggests that he really has nothing to say to the committee in this respect. It is true that a short while ago he spoke to the committee of the house regarding regional development, but I know he would agree with me that there is not a great deal new that would indicate the directions to be taken by the government and the seriousness with which it viewed the program. It was really, in the main, a repeat of an earlier speech the minister made to the Atlantic Provinces Economic Council. This is the only thing we have heard today after almost half a year of waiting for action in this regard. I am wondering whether all we are having is a little bit of light housekeeping. I wonder, also, whether in fact there is on the part of the government a serious intention to deal with one of our great problems, that of national unity, because the problem of regional disparity is closely linked with it.

We want to hear the minister's views with regard to the programs being grouped together in his department at the present time. We want to know when the big plans, the programs for increasing employment in the near future, as contrasted with the more long range programs that will be covering a period of some 15 years, we are told, will be launched. What about some of the programs that have already been launched and which now seem to be faltering? I think of the Northumberland strait crossing, which is a program near to my heart. Apart from its long term economic value to Prince Edward Island, this program would improve the economic situation of the government of Canada in the way of costs of ferry construction and operation. What about a project like this, in

terms of what it would do to this area of the Atlantic region during its construction period? We have not heard what the government intends to do in this respect.

We have not heard about the government's intention with regard to other programs such as the corridor road, which would greatly alleviate one of the basic problems in the Atlantic area, that of transportation. We would like to know a good deal more about other programs. We heard the minister's announcement in September with regard to the area development agency for Saint John, Halifax-Dartmouth and Fredericton, including them in this program. We are now told these things will happen only when amendments are made to the program some time in the new year. We want to know what will happen to some other programs now in operation. The P.F.R.A. program has done some good things with regard to conservation in the west. We are told that this program will be restructured. We wonder whether it will be expanded in its restructuring in the future. We wonder what is the reassessment in regard to these programs which are now under consideration. So far in this discussion we have been told none of these things, and frankly I think the Canadian people, especially those primarily involved, are greatly disappointed.

I would be interested to know what the minister means when he talks about regional development. This is a kind of loose and amorphous term which we would like defined. It has been used now for some months, perhaps some years, but very little definition has been given to us by the government with regard to what they mean. Does every person who lives in an area in which there is a slightly higher unemployment situation or a lower productivity situation suddenly look around him and say, this is one of the areas going to be tackled seriously in a program of regional development? If you live in the maritimes you might make that assumption. But do you make this assumption if you live in northern Alberta, rural Manitoba, parts of Ontario, or the interior of British Columbia for instance? What are the definitions we are to give to the words "a program of regional development"? To be more specific, what are our priorities and goals in this respect?

• (8:50 p.m.)

Surely to goodness even the setting up of the department would be a rather shallow or hollow task, unless there has been some public discussion of what our goals are. Are the goals of this new department primarily directed toward reducing chronically high unemployment in certain areas of the country, or are they related to increasing productivity, and if so at what levels? Do they deal in any realistic fashion, in a way that can be measured to determine the success of the program, with the question of income disparity, or do they deal, with the very disturbing problem facing the Atlantic region, one with which A.P.E.C. has been so concerned, namely that of out-migration? We have had no statements or indications, or indeed no opportunity for any discussions, and it disturbs me greatly that what may in fact be happening behind the scene is a subtle reorganization of a series of programs and projects, a kind of patchwork quilt which in the end will mean not much more than what we have known to date, and that is very little.

I wonder also whether in our thinking of the problem of economic disparity we are thinking only in what I would call narrow, limited and perhaps unrealistic ways of exclusively economic questions, or whether we are facing what in fact to me are some of the basic issues with regard to regional disparity, that is the social questions. If we are looking at the social questions and if, as the minister suggests, this is indeed part of the responsibility and concern of this projected new department, then surely to goodness we have already got off on the wrong foot because we know that as a result of constitutional problems, when it comes to a matter of social questions and social issues we must have a considerable amount not only of consultation with various provincial government officials, but of effective co-ordination and co-operation.

Unless I have been badly misinformed, there seems to have been little evidence to date that such is taking place. I am afraid we are going through the traditional federal pattern of failure. A program, a project or a concept is now being evolved within the department or with a group of federal officials, and when we have finally evolved our position we will then agree to enter into some kind of negotiation with the various regional representatives. Whether they be provincial officials, municipal officials or officials of other kinds of voluntary agencies, will not be clear, but what we will in effect be saying is that we know here in Ottawa what all the goals and priorities are in the various regions

that we will tackle seriously, and then we will tell them what we are going to do.

We have been down that road before, and we only have to look back to see how unsuccessful it has been. I think that if we are going to take this seriously, what should be done even now before this department is fully formed and so structured that there is little room for manoeuvrability, is to have the kind of full and frank public discussions that are badly needed. The Economic Council of Canada in its latest report put it very clearly when talking about regional development when it said that full participation of provincial governments in the planning exercise, as well as in subsequent decision making and implementation, is essential. This is where I fault the minister and his departmental officials. If there has been such a discussion, it has been held in the greatest secrecy. We have had some secret meetings in the past, but this will take the cake because even the vaunted sleuthing of Peter C. Newman has not been able to unearth useful conversations and consultations at this level. Even if they have taken place, their validity would have been questioned, inasmuch as many public bodies closely interested and concerned in this issue have not been called upon to participate. I refer to a few that come to my mind, bodies such as the Atlantic Provinces Economic Council, the Nova Scotia Voluntary Economic Planning Board and various industrial estates that operate as crown corporations in the Atlantic provinces, to mention the ones with which I am most familiar. Seemingly we have not come close to tackling this, but instead have followed the usual federal pattern of failure by evolving our plans here. We have evolved our plans in Ottawa and then stated that it was our position, like it or lump it.

I want to turn now to one specific agency under the minister's responsibility, which I am afraid is going to disappear and perhaps even create less of an opportunity for effective consultation and co-operation with the Atlantic region. I am referring to the Atlantic Development Board. Rumours have it that this board will cease to exist as an autonomous board. It may have some kind of an advisory capacity, but that will be a pretty limited function. For the last six years now the Atlantic Development Board has been dispensing money on a variety of projects without too much rationalization, except for the oft stated remark that all of this will be useful in the future development of the Atlantic region. It is strange that we have actually spent tens of millions of dollars in the Atlantic region without having any kind of plan or system whereby we might effectively evaluate whether or not we have been putting our money in the right places, or getting any value from it.

One of the most important things that the Atlantic Development Board could have done, and yet might do, is to produce some kind of plan, and yet we are told that to date we have a series of unco-ordinated surveys, and far too little consultation with those who have done similar work either at the provincial or at the federal level. More than a year ago the then minister of national health and welfare, the present Minister of Manpower and Immigration, indicated that we might be very close to having such a plan. However, it has not yet seen the light of day, and we are told that by the first of next year all we will have is a series of studies. I can speak for part of the maritimes that I know best. We have been studied to death, and what we want now is a little concrete planning, some direct planning, some planning that says something about the goals and priorities that can, should and will be achieved.

There are a couple of other things that I would like to refer to briefly because I think they are important to the future success of this department, and I have not written off its success yet. I am simply stating here that the concern that many people have that this is nothing more than a shuffling process is becoming more and more fortified by the lack of a clearcut statement by the minister, and the lack of open discussion, effective consultation and real planning with the various provincial and municipal bodies that will have to participate. In many cases if regional development is to be more than just a slogan or the title of a new department, this process must take place.

I think also that we must realize that what will be done and what is being done now in the joining of any of these programs will not be sufficient in itself. What should concern the members of this house and what will concern all of those interested in regional development is the question as to what effect all government policies having to do with productivity, with income and unemployment are tailored to get at these pocket areas of regional disparity across the country, what kind of effective machinery will operate at an interdepartmental level, for instance, to effectively co-ordinate the kind of decisions that may be made, not only in abandoning certain things,

which may have an economic impact on a region, such as the abandonment of military installations, but in initiating programs that other departments have established. What is needed is an over-all rationale, because without that rationale we will be simply putting a band aid on a very large sore, which will do little to alleviate the basic problem.

We regard regional disparity and regional development as one of the fundamental concerns of Canadians in our time. I would like to see the minister indicate, not only in his remarks here this evening, but by his action in effective consultation with the provinces, that more is being done about it than just the setting up of a new department and the restructuring of some of the programs that are presently in the department.

The reason for our concern about regional disparity is that perhaps half of the provinces in this country are not on an equal footing with the rest of the country. There is one Canada that is known quite well to those who live in the central part of this nation, extending from Montreal to Windsor. There is another Canada on the fringe which seeks to join the rest of this country in sharing in its natural resources, in its wealth and in its affluence.

• (9:00 p.m.)

This cannot be done, I suggest, simply by a shuffling of programs or by a bit of patching here and there. It can only be done by a determination of the government to tackle the problems seriously and to do this, not unilaterally but with the most effective and far reaching kind of co-ordination and co-operation with other responsible bodies that has ever been seen. As yet, we have not seen an indication of that. We look forward to seeing it very shortly.

Mr. Harding: Mr. Chairman, I should like to say a few words on the problem of regional development. I am rather mindful of the time, and the fact that other members would like to speak, so I will not make my remarks too lengthy. First of all, I should like to point out to the minister that I have not been impressed with the work done by his department to date. I am going to be very frank, Mr. Chairman. I have had questions on the order paper for two and a half months seeking information from the minister's department. If this is an indication of how your department is going to handle regional development, then it is a mighty poor start. It is absolutely and utterly disgraceful for questions asked by members to remain on the order paper for this length of time, when many of them are simple questions seeking information which should come to a member so that we know where we are going. We find these questions stay there day after day, until finally the estimates are passed by the house.

Mr. Marchand (Langelier): Which questions?

Mr. Harding: There are six. Last week I rose on a question of privilege because I had not received answers to these questions. Here we are, the last day for the consideration of estimates, and no answers have been received. If this is an example of how your department is going to work, I am afraid you are off on the wrong foot.

Mr. Marchand (Langelier): I rise on a question of privilege, Mr. Chairman. Are you sure these questions do not refer to the Department of Manpower and Immigration, rather than to my department?

Mr. Harding: Yes, I am sure; some of them may refer to manpower but some of them refer to your department.

Mr. Marchand (Langelier): Which ones?

Mr. Harding: I am not going to go through them now. If they refer to manpower, then—

Mr. Marchand (Langelier): I rise on a question of privilege, Mr. Chairman. This is a very serious accusation against my department. I should like to know to which questions the hon. member refers. I see here a series of questions, but they all relate to the Department of the Manpower and Immigration. There is not a single one that relates to my department. If there is one, please mention it right now.

Mr. Harding: These questions are listed on pages 39 and 40 of today's order paper. Some of them no doubt refer to the manpower department, Mr. Chairman, but they are tied in, hand and glove, with the minister's department. I want to point this out. The winter works program has gone down the drain. So far as I can make out, nothing has been introduced in our area to replace this particular program.

There is one point I want to raise with the minister. I believe he has had an interview with a group of people from the city of Nelson in my area, with regard to regional development. The minister, I understand, gave them a very courteous interview. I am very

pleased that the interview took place. However I believe the delegation went home not much wiser than when they came here. This is the thing that is worrying a large number of regions all across the Dominion of Canada, but I speak specifically for the province of British Columbia.

I was very interested in the remarks of the preceding speaker. He spoke very generally, but I think he hit the nail right on the head. We are wondering what the minister's plans are. We have been given to understand from other ministers that a new program, an incentive program, is going to be introduced. The idea behind the program is to liquidate the pockets of high unemployment across the country, as well as the areas in which there is a large degree of regional disparity. What I should like to point out to the minister is this: I do not think we can afford to neglect any area in Canada. Even if an area has a relatively high degree of employment, such as the area of Kootenay West which I represent, where the earnings per capita compare favourably with some of the best areas in Canda, conditions can change. What is happening rapidly in my area, as well as in many other areas, is that in some of the larger towns and the rural areas we are seeing unemployment creeping in, and it is getting worse. This condition must be checked or what can be classed now as a relatively good area will soon reach a stage where it will be one of the depressed areas. This is why we are so interested in seeing programs developed on a regional basis to deal with these problems.

I think the minister is well aware of the incentive program that was introduced in the Okanagan. I do know this program has cost the government some money, but it has been very successful. Some industries have been brought into the Okanagan area which would never have come there unless some type of incentive had been arranged. The result, of course, has been industrial development and an increase in permanent jobs in that area. This is what we are after. As the minister knows, the brief which was presented to him by the city of Nelson, referred to the loss of industry in that area. There was a reference also to the rapid rise in taxation in the district, and the very low industrial base upon which taxation is imposed.

This situation is rather alarming, particularly when we know that the area has all the attributes for real progress. Around Trail and Rossland we have the C.M. and S. complex

[Mr. Harding.]

and a great deal of industrial activity. In the northern section of the constituency there is a good climate and we have the resources, hydro power and manpower. We cannot afford to neglect all these things. I am going to suggest that programs be investigated in conjunction with provincial, municipal and regional governments in an attempt to do something about keeping the employment picture in this part of British Columbia very good.

• (9:10 p.m.)

There are two or three other points I should like to make, Mr. Chairman, before I sit down. It is always interesting to hear about the new incentive plans that are to be advanced by the present administration. Surely the minister, in this first semester of this session of a new parliament, should be able to give us some idea of what is going to happen in other parts of Canada, other than the developments he has drawn to our attention in relation to the Atlantic provinces and parts of Quebec. I think we are entitled to this information. I also suggest to the minister that in his closing remarks this evening he deal with the points that have been raised.

I understand that at least seven or eight other members would like to make brief comments about regional development so I will not take much more time. I understand that questions of manpower come under the minister's department; if they do not they certainly fit hand in glove with the department's operations. Unemployment and incentives must go hand in hand.

One last point, Mr. Chairman, that I almost forgot and it has to do with the minister's department. In my constituency there is a town called Creston. As far as manpower services are concerned, Creston is bracketed within the east Kootenay area, which has a fairly high employment rate as a result of C.M.S activities around Kimberley. However, in other respects Creston is really divorced from the east Kootenay area although, as I say, it is included in the employment figures for the whole area. Creston is an area with a very high rate of unemployment. It is in a pocket almost by itself. This is a region into which the department should move and provide the incentive for setting up new industries, thus cutting down the severe rate of winter unemployment. I just draw that to the attention of the minister and trust that his department will look at the matter this coming year.

Mr. Fairweather: Mr. Chairman, I shall not speak for very long but I do want to raise one particular matter on this estimate. The minister has treated me very courteously in this regard and knows how I feel on this issue. I am particularly glad that the member of the cabinet from New Brunswick is in his seat, because I am sure that the combination of these two ministers means that something will be done in regard to a grant to the University of New Brunswick that was severely cut back by Treasury Board, in spite of a recommendation for capital funds made by the Atlantic Development Board.

I feel particularly strongly about this issue because some people in the maritime provinces are beginning to feel that the Atlantic Development Board is now just a series of initials, that it has no power. If each submission of the Atlantic Development Board to Treasury Board is going to be subjected to such severe curtailment as in this particular case, then I think the people of the Atlantic provinces will have legitimate reason for complaint.

I am going to take the somewhat unusual course of reading three letters, for which I take full responsibility, as I believe is the rule. I will identify the senders and in every instance give the names of the addressor and addressee. There is no mystery about this and it is not a partisan matter; it is the wish of a member of parliament from New Brunswick to see that one of the important resources of the Atlantic area receives just treatment.

The first letter is addressed to me and is from the vice-president, administration, B. F. Macaulay, of the University of New Brunswick. The letter is dated September 6, 1968 and reads as follows:

—I write to you concerning developments associated with the university's request for a capital funds grant from the Atlantic Development board.

Then Mr. Macauley says he will outline the history of their requests and the federal treasury's grant award. He then encloses supporting data.

The letter continues:

In August, 1964—

This is the reason for some of my frustration.

—the university made a submission to the Atlantic Development Board for a grant of $1,850,000 for capital expenditure to provide research and graduate student space and to purchase additional equipment and library resources for research purposes, all of which include only areas of direct relevance to the social, economic and technological advancement of the Atlantic provinces. The Board recommended a grant of $1,500,000 and this amount was finally approved by treasury. Of this amount $1,038,000 was to support the space requirements. You will note this sum is indicated and its allocation to various areas are indicated in column 1 of the attached analysis of submissions to Atlantic Development Board and Supporting Grants.

It continues:

Although the new buildings containing the space being supported by grants have been constructed, with the exception of the extensions to the chemistry, biology and geology buildings, and most of the equipment and books have been purchased, none of the supporting grant money has been received over this four year period. This delay has apparently been due to slowness in completing the associated agreements, and the agreement between the province of New Brunswick and the federal government is still not signed.

This was last September; perhaps the minister can indicate whether the agreement has been signed since.

In April of this year it became obvious to us that increasing academic requirements and the rapidly rising costs of construction would make it impossible to build the extensions to the chemistry, biology and geology buildings with the Atlantic Development Board grants requested in 1964. Accordingly, we requested our architects to give us new estimates of the cost of these buildings, and we prepared a new submission to the Atlantic Development Board, dated April 1, 1968. This second submission was based on three considerations—increase in building costs; increase in size of the space required; and 100 per cent support for those areas where 50 per cent support was requested in the first submission, including the extensions to the chemistry, biology and geology buildings. The increase in grants and the total grants requested are shown on the attached tabulation sheet.

The Atlantic Development Board recommended—

I want to emphasize this.

—that the maximum increases resulting from all three of the considerations in the preceding paragraph should be granted. This would have given us an increase of $2,318,200 and a total grant of $3,356,200. Consideration of these grants by treasury board was considerably delayed by the federal election, but when our submission was considered treasury only approved increases in the grants for increased building costs and the increased space requirements, but not for 100 per cent support in the areas where 50 per cent support had been requested initially. This decision was made in the face of the recommendation by the Atlantic Development Board for 100 per cent support. The result is that our request for increased grants has been cut by $1,262,200.

• (9:20 p.m.)

While the Atlantic Development Board and the Treasury Board were considering our second submission tenders were called for the extensions to the chemistry, biology and geology buildings so

that we could have firm prices on which to base our decisions. To our dismay the total bids for the three buildings came in at $504,415 over the estimates given by our architects.

So we find ourselves in the serious position of suffering from the additive effect of our requested grant being cut by $1,262,200 and the construction bids being $504,415 over the estimated price. The result is that we cannot proceed with the construction of the three buildings, nor can we consider some other badly needed buildings which we had hoped to get on with, had we had full support. I think the attached tabulation sheets will indicate our position quite clearly.

Because of the seriousness of the implications in the letter from the vice president of administration attempts were made, through correspondence and other ways, to see whether the request of the University of New Brunswick, fully supported by the Atlantic Development Board, could be met. The letters from the premier of the province of New Brunswick and the minister of economics and resource development—I think it is—Mr. Higgins support the request of the University of New Brunswick.

Many people in the maritime provinces—and not just chauvinistically, either—legitimately feel that if there is one area where we can fulfil a useful role in trying to conduct a bootstrap operation, if one may call it that, it is within the various campuses of the Atlantic provinces. I am making this pitch for the University of New Brunswick, but I should be happy to make it for the University of Moncton, Mount Allison, Dalhousie, St. Francis Xavier, or any of our universities. Here is a pressing and obvious need. As the hon. member for Egmont said, we have been studied forwards and backwards and up and down. And here was one request that was supported by the A.D.B. and ruthlessly cut back by Treasury Board.

I wanted to read a number of letters into the record but I feel guilty about taking up any more time. I have letters to the deputy minister from the president of the University of New Brunswick, letters to Dr. Weeks and other letters, but I will not take any more time. I see the President of the Treasury Board is at the table, no doubt studying the implications of my request. I hope he can persuade his colleagues to support my reasonable request. I hope that those hon. gentlemen will see their way clearly to doing something—and I hope that something will not be another study. The need is pressing. As I was saying, there are people in the maritime provinces who feel that our universities can support the

[Mr. Fairweather.]

sort of role that is performed, in the field of superior education, by institutions such as Boston and Cambridge in the state of Massachusetts. We are ready to undertake this job but we must have support, not only from the Atlantic Development Board, but from the minister and his colleagues.

Mr. Macquarrie: Mr. Chairman, I do not feel like making a speech at this time, although I am pregnant with several—I think our permissive society allows us to use such expressions. Before these estimates pass I wonder if the minister would indicate to the committee with reasonable precision the amount that is contributed by the government of Canada to the Economic Improvement Corporation—the E.I.C.—of Prince Edward Island, which is progressing with a comprehensive plan for the improvement of our province. We want to know how much financial assistance is being given by the government of Canada. Corollary to that, and this is also important, can the minister indicate to the house, and thereby indirectly to Prince Edward Island, when it is likely that we can expect that an agreement between the two governments will be signed so that the things which have been promised to our province in this important field can be brought to fruition.

Mr. Marchand (Langelier): Mr. Chairman, with regard to the first question, I will try to obtain the information and give it to the hon. gentleman before ten o'clock. I do not have it at hand. As to the second question, I cannot say when an agreement is going to be signed because it is supposed to be an agreement between both parties. I hope it will be signed soon, but I cannot tell you when.

Mr. Macquarrie: I understand the premier of Prince Edward Island indicated that this will probably take place early in December. Does the minister feel that this is an optimistic, pessimistic or realistic suggestion.

Mr. Marchand (Langelier): I think, Mr. Chairman, that this is a realistic assessment, but I cannot really say, because as I mentioned before, this is supposed to be an agreement between both parties.

[*Translation*]

Mr. Corbin: Mr. Chairman, my remarks will be brief.

Still, I should like to say how surprised I am at the remarks of the hon. members for Egmont (Mr. D. MacDonald) and for

Kootenay-West (Mr. Randolph Harding), who claim to be astonished that the minister should remain mum about his plans and projects concerning the policies of his new department.

To my mind—and I am not defending the minister for I know full well that he is quite capable of doing so himself—it must be admitted that it is no time for him, when we are asked to pass the estimates for what was left when he took over his new portfolio, to comment on the new policy he is in the process of formulating with the help of his officials and other wise men.

The attitude of those two members surprises me for they know full well, that those things must be considered and reconsidered; plans intended to bring a long term solution to the problems of regional disparities cannot be set down on paper just like that, overnight, or even in six months, in spite of what some people maintain. I therefore cannot approve the attitude of my honourable opponents. I even feel that, under the circumstances, their criticism is somewhat unfair.

• (9:30 p.m.)

Obviously, we are all anxious to know the plans of the new department, whatever party we belong to; but I feel that such eagerness should simmer down to a healthy patience. Let us give the minister time to think out the new policies he intends to implement. It would be useless to criticize all those projects at this time; it would only further mix up and delay the plans he intends to put before the house.

In this regard, I might mention the long term project some of my electors are working on. For instance, the members of the North-West area Development Council, which takes in almost three quarters of my riding, have now been studying for four years the problems of regional disparities and economic development.

In spite of their long hours of sitting, and long nightly studies, they have not been able to find a magic solution to their problems and they are still at it. It is then hardly surprising that the government cannot on short notice submit a concrete project that would solve the problem of regional disparities. I might have mentioned as well one group of people in the Riley Brook region of the Upper Tobique who have during recent months been reviewing the problems of economic disparities.

Criticisms are good but patience is better; those who can wait will learn in due time what has been accomplished by the minister and his team. The minister must be completely free to do his work and plan the organization of his department. I think all hon. members should now give him this opportunity. He should not be pressured into giving us merely a rough draft of the project he intends to introduce at the very beginning of the year.

Mr. Chairman, those were the few comments I wanted to make.

[*English*]

Mr. McGrath: During the passage of the estimates of the Atlantic Development Board I drew attention to problems surrounding the closing of mines on Bell Island. In the course of my examination of actions taken by the Atlantic Development Board it became obvious to me that the programs they had brought in to meet this emerging situation had, in fact, proved unsuccessful.

After the mines closed down in 1966 the board, acting on the advice of a committee, decided on a program of forced migration, feeling there was no solution to the problem caused by the closing of this industry and that the only answer would be to provide the residents of that unhappy place with a subsidy under whose terms the government of Canada in co-operation with the government of Newfoundland would provide home owners with a subsidy of $1,500 per home if they would leave the island. In other words, they would be able to sell homes which as a consequence of closing the mines had become practically worthless.

Officials of the Atlantic Development Board admitted in effect during the course of the committee hearings that the program had not been successful. They had set out to reduce the population of the island to the elderly and the very young. But after two years the island still has a population of 6,500 people including the old, the young, and more than 2,000, able-bodied people who are virtually unemployed and are forced to live on relief.

Until the closing of the mines the population of Bell Island was 14,000, or at least that was the peak population. These people had brought into being an incorporated municipality, a modern 50-bed hospital, a technical and vocational training school, high schools and all the things which provide modern amenities. Like most people, Bell Islanders are loyal to their community, proud of their accomplishments, proud of their schools, their hospital, the town hall and all the other things they have developed through their labours and as a consequence of their taxes. It

was with a heavy heart that many of them decided to write off their homes and their investment in the community, with its schools, its hospital and all the other necessary requirements of a town of 12,000 or 14,000 people. But since they could not provide their families with a livelihood on Bell Island, they decided to move elsewhere. Many others feared the consequences of such a move. They were uncertain about what they would face if they left the security of their homes, hesitant to move out into the world for which they had not been trained and whose problems they were not prepared to meet. Many people preferred to stay.

This brings me to the point of my remarks. After two years of failure on the part of the federal government and the provincial governments to come to grips with this problem, Bell Island stands today, and I hope the minister hears my remarks, as a mute testimony to bureaucratic bungling and government inefficiency.

The government has failed to meet this problem right in our own environment. A community of 6,500 is still resident on Bell Island, the vast majority of whom are living on relief. This, to me, indicates a complete incapacity on the part of the government of this country to live up to its responsibilities. Poverty is no longer a problem of regional disparity. It is widespread, it is national. I have no less an authority for saying this than that of the economic advisory council. Hon. members are probably familiar with the fifth annual report of the Economic Council of Canada which brings this national disgrace into focus. Canadians will continue to live in poverty in this country as long as we have a government, as long as we have bureaucracy, which does not have the heart to take seriously conditions such as exist today on Bell Island.

I have seen poverty, as have other hon. members. It is a relative thing. It is what you make it. Poverty, to my mind, is not the starvation of Biafra, tragic as that may be. Poverty is the problem of Canadians who have been deprived of their national heritage, deprived of their pride, deprived of their right to earn a living. Poverty to me is a situation where children are brought up in environments where their parents have no opportunity to work. Heads of families are degraded by public welfare, people are being destroyed before our very eyes. There are people who are dead; they are dead because they have no other source of income, save a government cheque which comes to them once a month and for which they have to plead that they are in poverty. Mr. Chairman, the minister who will be speaking to the house tonight hopefully will have something to say about this matter. How can we deny that there is a situation, when there are 6,500 Canadians who are on relief. These people are ignored by the government of Canada, they are ignored by the government of their own province and they are ignored by a minister who does not see fit to listen to my remarks. Yet, this supposedly is a government in a just society. It is a government, within the ministry of which sits the minister of regional development, that great exponent of the just society, who now chooses to ignore me. He does not know what I am talking about, and just chooses to ignore what I say. Surely the federal government, working in close co-operation with the government of Newfoundland, must now recognize that it has failed in this deliberate program—and I repeat "deliberate program"—to reduce the population of Bell Island to the aged, the infirm and the very young. They have failed because we still have today in this country a community with 6,500 people containing not only the aged, the infirm and the very young, but also some 2,000 able bodied people on relief who are prepared, and in fact want, to work for a living.

• (9:40 p.m.)

This great exponent of the just society, this minister who represents the working population of the province of Quebec, ignores what I say. Mr. Chairman, I realize the minister must listen to a lot of things. I know he has to listen to representations. I know the passage of his estimates must represent to him an absolute bore, as indeed parliament represents a bore to the Prime Minister. But I say to the minister that the sufferings of the people in my constituency, as in all of Canada, surely must command his attention. I hope the minister of regional development will see fit to reply to my remarks, even though he has so far seen fit to ignore them. I hope he will be able to say what the representatives of the Atlantic Development Board said before the committee, when they said that the government of Canada does not have an answer to this problem, and then I hope he will say that the government of this country is prepared to look into it with a view to using the expertise they have at their disposal and the vast resources they have at their

disposal to alleviate the real tragedy that exists today in this country, where there is a community of 6,500 people without jobs and without hope who look to this government for an answer.

Mr. Marchand (Langelier): Mr. Chairman, may I have one moment in order to give an answer which I promised. The amount is $600,000.

Mr. Perrault: Mr. Chairman, we have listened with a great deal of interest during the past hours to the voices of gloom, doom, disaster and worse. I think there are very few people in this house, certainly from the maritime provinces, who would regard these Jeremiah voices as their authentic voice in this parliament of Canada. We have not heard one optimistic word all day about the future of the great maritimes. There has not been one optimistic word. We have heard nothing but condemnation of the efforts being made by the government of this country, this country of great potential, to lessen the regional disparity. We have been told that nothing is being done in the maritime provinces. We do not find in any of the budget speeches of the province of Nova Scotia in recent years words which—

Mr. Nowlan: On a point of order, Mr. Chairman.

Mr. Perrault: I hold in my hand—

The Deputy Chairman: Order. The hon. member for Annapolis Valley on a point of order.

Mr. Nowlan: Mr. Chairman, since the Prime Minister is unable to tell us who this man is, I would like to know—

The Deputy Chairman: Order.

Mr. Nowlan: —whether he is a member and what his name is.

Mr. Perrault: You see, Mr. Chairman, this typifies the kind of destructive, negative opposition we have heard in this house today. Those in the opposition, who are so concerned about the facts, may some day wake up to a realization of what actually is being done to lessen the regional disparity in this country. I hold in my hand the facts about the kind of aid that is being extended to the maritime provinces. I hope that my friend from Nova Scotia, who had nothing but words of condemnation for the government would note this. The Federal contribution to Nova Scotia, its municipalities and certain provincial institutions in 1961-62 amounted to $56 million, in 1962-63 to $65 million, in 1963-64 to $69 million, in 1964-65 to $77.64 million, in 1965-66 to $95.246 million, in 1966-67 to $132 million and in 1967-68 to $181 million.

Mr. Peters: I rise on a point of order, Mr. Chairman. May I ask the hon. member what the source is for the figures he has just presented to the house.

Mr. Perrault: Mr. Chairman, I would be delighted to table all these figures. I will make them available to the house. Here are the figures—

Mr. Peters: On a point of order—

The Deputy Chairman: Order, please.

Mr. Forrestall: Mr. Chairman, I rise on a question of privilege.

The Deputy Chairman: The hon. member for Timiskaming on a point of order.

Mr. Peters: Mr. Chairman, I am rising on the same point of order. It is a rule of this house that when the source of figures which have been presented to the house is asked for the hon. member must give that source. I only asked for the source because I think it would be of interest to hon. members.

Mr. Perrault: I shall be delighted to do so. The source is the Dominion Bureau of Statistics official figures. If you would like explicit information I think you could extract it very easily. The Leader of the Opposition, when he was premier of Nova Scotia did not condemn the Atlantic development fund and other programs of this kind. I resent very much the fact that—

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

Mr. Perrault: We listened to you and now you sit down.

Mr. Nowlan: You make a lot of sound and no sense.

Mr. Perrault: There is a program for improvement of poverty, increased economic efficiency and more vigorous competition.

• (9:50 p.m.)

Great progress is being made on the path to reducing economic disparity. I want to say I

am immensely encouraged by the information and indication from the minister that we are going to see a new set of criteria established for the so-called slow growth areas. Up to this time the criteria have related to the number of unemployed people in this country. I believe that the number of unemployed people is not a valid criteria as to whether a certain area requires assistance. I hope that the minister can perhaps give us some indication of these new criteria. Surely the criteria—

Mr. MacDonald (Egmont): Mr. Chairman, I rise on a question of privilege.

Mr. Perrault: Surely the criteria—

The Chairman: Order, please. Will the hon. member resume his seat.

Mr. MacDonald (Egmont): Mr. Chairman, I rise on a point of order. I know the hon. member will not mind being interrupted at this point by the suggestion that in the six minutes left perhaps the minister would like to speak to the estimates in reply—

Some hon. Members: Order, order.

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

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to refer to a point of order.

The Chairman: Order, please. Will hon. members resume their seats. I understand the hon. member for Cape Breton-East Richmond is rising on a question of privilege.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I rise on a point of order because of the attempt made to table the document to which the hon. member referred. I draw Your Honour's attention to the fact that since this was not received by the chair, or properly tabled, and if such a document is to be tabled, similar figures should be provided by that hon. member for each and every province in the country.

Mr. Perrault: Mr. Chairman—

The Chairman: Order, please. I am advising the committee that the document was not tabled.

Mr. Perrault: I simply want to say that I premeditated the member's request. I had made statistics available to the table relating to every province in Canada, including British Columbia, Ontario and Saskatchewan, Alberta and all the rest. The facts are available.

[Mr. Perrault.]

Some hon. Members: Oh, oh.

The Chairman: Order, please. I should like to repeat that these figures were not tabled, nor was the document tabled. I understand the hon. member for Cape Breton-East Richmond is rising now on a question of privilege.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, with all honesty I should like to say—

An hon. Member: You haven't had a valid point of privilege for five years.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like the hon. member to withdraw his remarks.

An hon. Member: Make it six years.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I should like the hon. member to withdraw the remarks, that he premeditated my move in requesting that similar statistics be made available for all provinces.

Some hon. Members: Oh, oh.

The Chairman: Order, please. May I suggest to the committee that I think the suggestion by the hon. member for Egmont was a reasonable one. If the committee wishes to hear from the minister in the last few minutes we should make provision to do so. On the other hand it is important to recognize that the hon. member has this time to use if he wishes.

Mr. Perrault: Mr. Chairman, I simply say to the hon. member that I anticipated his desire.

Mr. MacInnis (Cape Breton-East Richmond): I say to the hon. member, you are a liar.

Mr. Perrault: That is an unparliamentary expression but I shall just consider the source, Mr. Chairman. I shall complete my remarks and sit down very shortly. I urge the minister to tell us whether we are going to have a set of criteria which will take into account realistically the areas of slow development which exist in the country. Surely if a viable income base can be established anywhere in this country, in the maritimes or in British Columbia, let us provide assistance for such economic growth. If a viable income base cannot be established, then let us improve our manpower mobility program, our retraining program and simply leave the labour force where it exists. I think I echo

the feeling of many Canadians when I say that we are improving in the mobility of labour and doing an excellent job of retraining labour, in spite of what the opposition says. Surely the time has arrived to attempt to co-ordinate the educational facilities which exist in this country and all provinces. It is ridiculous to say to a man who wants to go to work in Manitoba—

Mr. McGrath: I rise on a question of privilege.

Mr. Perrault: Surely the hon. member who is now speaking is using a surreptitious way in which to prevent the minister speaking, by using up the time of the committee—

Some hon. Members: Order, order.

The Chairman: Order, please. The procedure in the committee is that when an hon. member rises he should allow the Chair to recognize him.

Mr. McGrath: Mr. Chairman, with great respect, I point out to you that the hon. member who now has the floor is speaking surreptitiously in a way to prevent the minister from replying, and is thereby inflicting closure on the committee.

Mr. Perrault: I want to point out to the house that had these interventions not occurred there would have been six or possibly ten minutes for the reply. The fault lies on this side of the house in failing to listen to what I have had to say so the minister could reply. I conclude by saying—

An hon. Member: Hurrah.

Mr. Perrault: If the federal government could work with the provinces, universities and school boards across the country to obtain a better agreement with respect to acceptable standards it would be easier for families in Canada to transfer from one province to another, and for university students to accommodate that switch as well.

The Chairman: Order, please. It being ten o'clock it is my duty, pursuant to the provisions of the special order adopted September 20, 1968, as amended December 4, 1968, to interrupt these proceedings and forthwith, without any amendment or debate, put every question necessary to dispose of the main and supplementary estimates now before the committee of supply. Accordingly, the chair proposes to continue with the department now being considered and proceed in alphabetical order, through those departments which remain before the committee of supply.

Mr. McGrath: Mr. Chairman, I rise on a point of order. With the unanimous consent of the committee perhaps the minister could reply to some of the representations that have been made tonight.

An hon. Member: No, you took up all the time.

Mr. McGrath: I repeat my request, for the unanimous consent of the committee to hear from the minister.

The Chairman: Order, please. If there is unanimous consent, of course, we could hear from the minister. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Hickory, dickory dock.

Some hon. Members: Order.

The Chairman: Order, please. Item agreed to.

General—

1. Administration, Operation and Maintenance, including Canada's fee for membership in the International Commission on Irrigation and Drainage, $17,887,200.

5. Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Province of New Brunswick of the cost of the Petitcodiac River Dam Project and the share of the Province of Nova Scotia of the cost of the Avon River Causeway Dam project, $11,657,400.

Mr. Baldwin: What department are we dealing with now?

The Chairman: We are dealing with the estimates of the Department of Forestry and Regional Development. We previously completed two votes in respect of the Cape Breton Development Corporation, namely 35 and 45. Items no. 1 and Item no. 5 have been carried. We are now considering item number 10.

10. Grants, subventions and payments as detailed in the Estimates, $30,911,000.

Item agreed to.

Regional Development—

General—

L85. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act $53,102,000.

Supply—Items Passed

Mr. Crouse: I should like to ask whether this new department has been set up in respect of regional development. I thought we still had a Minister of Fisheries and Forestry. I raise this question because of the conflict between the ministers and the two departments.

An hon. Member: They don't know what's going on.

The Chairman: Those are the estimates I have before me and those are the estimates we have been considering. We will now consider the estimates of the Department of Agriculture.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Administration—

1. Departmental Administration including the Canadian Agricultural Services Co-ordinating Committee, contributions to the Commonwealth Agricultural Bureaux, and a contribution to the Agricultural Economics Research Council in an amount equal to one-half the contributions to the Council from other sources during the fiscal year but not exceeding $50,000, $8,520,375.

Research—

5. Administration, Operation and Maintenance including the costs of publishing departmental research papers as supplements to the "Canadian Entomologist", $34,965,600.

10. Construction or Acquisition of Buildings, Works, Land and Equipment, $5,571,300.

12. Grants as deailed in the Estimates and Canada's fee for membership in the International Society for Horticultural Science, $800,400.

Production and Marketing—

Administration—

15. Administration, Operation and Maintenance including the administration of the Agricultural Stabilization Act, and contributions to assist in the Marketing of Agricultural Products subject to the approval of Treasury Board, $2,448,800.

17. Grants, Contributions and Subsidies as detailed in the Estimates, $144,750,000.

Items agreed to.

• (10:00 p.m.)

Animal and Animal Products—

20. Administration, Operation and Maintenance, $8,478,500.

Items agreed to.

25. Grants, Contributions and Subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of the Estimates, $7,908,400.

The Chairman: Shall vote 25 carry?

Mr. Peters: No, Mr. Chairman.

[The Chairman.]

Some hon. Members: On division.

The Chairman: Carried, on division.

Item agreed to.

(The following items were agreed to:)

Plant and Plant Products—

30. Administration, Operation and Maintenance, $8,394,400.

35. Grants, Contributions and Subsidies as detailed in the Estimates, $130,000.

Health of Animals—

40. Administration, Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $17,000,400.

45. Grants, Contributions and Subsidies as detailed in the Estimates, $1,766,600.

Board of Grain Commissioners—

50. Administration, Operation and Maintenance including Canada's fee for membership in the International Association of Cereal Chemistry and authority to purchase screenings, $8,784,000.

51. Construction or Acquisition of Buildings, Works, Land and Equipment, $1,502,000.

Canadian Dairy Commission—

55. Administration, Operation and Maintenance, $303,000.

Canadian Livestock Feed Board—

(Formerly the responsibility of the Minister of Forestry and Rural Development)

60. Administration, Operation and Maintenance, $301,800.

65. Freight Assistance on Western Feed Grains including assistance in respect of grain storage costs in accordance with the terms and conditions prescribed by the Governor in Council, $21,600,000.

Farm Credit Corporation—

70. Estimated amount required to provide for the operating loss of the Farm Credit Corporation for the fiscal year ending March 31, 1969, $6,000,000.

The Chairman: That completes the estimates of the Department of Agriculture.

Mr. Crouse: How many billions of dollars have been passed in five minutes?

An hon. Member: What's a million?

The Chairman: Order, please. The committee will now deal with the estimates under the title Communications.

COMMUNICATIONS

General—

1. Administration, Operation and Maintenance including the administration of the Radio Act and Regulations issued thereunder and authority, notwithstanding the Financial Administration Act, to make commitments for the current fiscal year for

this Vote not to exceed $8,894,100 and to spend revenue received during the current fiscal year, $4,971,100.

The Chairman: Shall vote 1 carry?

Some hon. Members: On division.

The Chairman: Carried, on division.

Item agreed to.

5. Research Satellite Program—To provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States National Aeronautical and Space Administration and the Defence Research Board, $3,500,000.

The Chairman: Shall vote 5 carry?

Some hon. Members: On division.

The Chairman: Carried on division.

Item agreed to.

(The following items were agreed to:)

10. Payments to the Canadian National Railway Company as detailed in the Estimates and Canada's share of the cost of the International Radio, Telephone and Telegraph Organizations listed in the Details of the Estimates, $509,000.

Post Office—

15. Postal Services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo, $346,622,000.

Communications—

Canadian Overseas Telecommunication Corporation—

L1. Loans to the Canadian Overseas Telecommunication Corporation in accordance with Section 14 of the Canadian Overseas Telecommunication Corporation Act for additions and betterments to facilities, $10,500,000.

The Chairman: That concludes the estimates under the title Communications. The committee will now deal with the estimates of the Department of Consumer and Corporate Affairs.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

1. Departmental Administration, $907,400.

The Chairman: Shall vote No. 1 carry?

Some hon. Members: On division.

The Chairman: Carried, on division.

Item agreed to.

(The following items were agreed to:)

5. Bankruptcy Act—Administration, $931,100.

10. Combines Investigation Act—Administration, $1,354,200.

15. Corporations Branch, $280,000.

20. Patent Division, Copyright and Industrial Designs Division and Trade Marks Office including contributions to the International Office for the Protection of Literary and Artistic Works and the International Office for the Protection of Industrial Property, $4,522,400.

25. Consumer Affairs Branch including a Grant of $30,000 to the Consumers Association of Canada, $6,004,400.

The Chairman: That concludes the estimates of the Department of Consumer and Corporate Affairs. The committee will now deal with the estimates of the Department of Energy, Mines and Resources.

DEPARTMENT OF ENERGY, MINES AND RESOURCES

A—Department—

Administration Services—

1. Departmental Administration including Canada's fee for membership in the Pan-American Institute of Geography and History, $4,555,000.

The Chairman: Shall vote 1 carry?

Some hon. Members: On division.

The Chairman: Carried, on division.

Item agreed to.

(The following items were agreed to:)

5. Construction or Acquisition of Buildings, Works, Land and Equipment including Common-use Field Survey Equipment, $631,000.

Mines, Minerals, Energy and Geosciences—

15. Administration, Operation and Maintenance including the administration of the Explosives Act, the purchase of air photography, the expenses of the Interdepartmental Committee on Air Surveys, the National Advisory Committee on Control Surveys and Mapping, the National Advisory Committee on Research in Geological Sciences, the National Advisory Committee on Research in Mining and Mineral Processing, the Canadian Permanent Committee on Geographical Names, the National Committee for Canada of the International Astronomical Union and authority to make recoverable advances not exceeding the amount of the share of the United States Government of the cost of binding annual reports and maintaining boundary range lights, $35,879,700.

20. Construction or Acquisition of Buildings, Works, Land and Equipment, $4,530,000.

25. Grants, contributions and subventions as detailed in the Estimates, Canada's fees for membership in the International Organizations detailed in the Estimates, Canada's share of the cost of the Geological Liaison Office, British Commonwealth Scientific Conference, London, England, and Canada's share of the cost of the Commonwealth Committee on mineral processing, $1,464,000.

Water and Coordination of Renewable Resources Programs—

40. Administration, Operation and Maintenance including the expenses of the Saskatchewan-Nelson

Basin Board and the Atlantic Tidal Power Programming Board including the recoverable expenditures relating thereto, recoverable expenditures incurred in respect of Regional Water Resources Planning Investigations and Water Resources Inventories and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the Province of Manitoba and of the Province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul and the amount of the share of provincial and outside agencies of the cost of hydrometric surveys, and the expenses of the National Advisory Committee on Geographical Research and the National Committee for Canada of the International Geographical Union, $30,457,400.

45. Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $11,202,000.

50. Contributions to the Provinces towards the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the Provinces, Canada's fees for membership in the International Hydrographic Bureau and the International Geographical Union, and grants and other contributions as detailed in the Estimates, $5,889,300.

B—Atomic Energy Control Board—

55. Administration Expenses of the Atomic Energy Control Board, $392,000.

60. Grants for researches and investigations with respect to atomic energy, $3,920,000.

C—Atomic Energy of Canada Limited—

(Research Program)—

65. Current Operation and Maintenance, including expendable research equipment, $58,919,000.

70. Construction or Acquisition of Buildings, Works, Land and Equipment, $9,681,000.

D—Dominion Coal Board—

75. Administration and Investigations of the Dominion Coal Board, $150,000.

80. Payment to New Brunswick in the fiscal year 1968-69 of $2,800,000 and annual payments in each of the four fiscal years commencing on the first day of April, 1969 and ending on the 31st day of March, 1973 of $4,050,000 to assist the Province in its program of rationalization of the Minto coal fields, in accordance with terms and conditions set out in an agreement entered into between New Brunswick and Canada with the approval of the Governor in Council, and to authorize in accordance with the agreement the transfer to New Brunswick of the rights, benefits and obligations existing and outstanding under all loan agreements entered into pursuant to the Coal Production Assistance Act with coal producers in New Brunswick, the principal sum of which, carried as an asset of Canada, amounted to $597,314 as of March 31, 1968; amount required for 1968-69, $3,397,314.

National Energy Board—

85. Administration, $1,602,000.

Energy, Mines and Resources—

Atomic Energy of Canada Limited—

L5. Loans in the current and subsequent fiscal years to Atomic Energy of Canada Limited, in such amounts and on such terms and conditions as the Governor in Council may approve, to finance the construction of the Candu-BLW 250 nuclear power station in Quebec; to share in the construction of the Pickering Generating Station under agreement between the Federal Government, the Province of Ontario and the Hydro Electric Power Commission of Ontario; to finance the construction of manufacturing facilities and a laboratory for the Commercial Products Division at South March; to finance the construction of housing and other works near the Whiteshell Nuclear Research Establishment, $51,000,000.

L10. Loans to Atomic Energy of Canada Limited in the current and subsequent fiscal years, in such amounts and on such terms and conditions as the Governor in Council may approve, to finance the purchase of Canadian-produced Heavy Water for resale to Canadian and foreign users, $4,600,000.

L15. Loans to Atomic Energy of Canada Limited in the current and subsequent fiscal years, in such amounts and on such terms and conditions as the Governor in Council may approve, to finance the construction of transmission facilities in connection with the Nelson River Power Project, in accordance with an agreement between Canada and Manitoba; to authorize Atomic Energy of Canada Limited to construct, control, lease and dispose of the said transmission facilities, $40,000,000.

L20. Loans to Atomic Energy of Canada Limited, subject to such terms and conditions as the Governor in Council may approve, to make an advance payment to Deuterium of Canada Limited based on the value of one year's production by that Corporation of heavy water, $16,400,000.

The Chairman: That completes the estimates of the Department of Energy, Mines and Resources. The committee will now deal with the estimates of the Department of External Affairs.

Mr. Lewis: Mr. Chairman, how many millions of dollars of estimates have we voted so far?

Some hon. Members: Oh, oh.

The Chairman: Order, please.

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

1. Administration, Operation and Maintenance, including payment of remuneration, subject to the approval of the Governor in Council and notwithstanding section 7 of the Financial Administration Act, in connection with the assignment by the Canadian Government of Canadians to the staffs of the International Organizations detailed in the Estimates, and authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the shares of those Organizations of such expenses, and authority, notwithstanding section 7 of the Financial Administration Act, for the appointment and fixing of salaries of Commissioners (International Commissions for Supervision and Control in Indo-China), Secretaries and staff by the Governor in Council; and authority,

notwithstanding section 7 of the Financial Administration Act, for the appointment and fixing of salaries of High Commissioners, Ambassadors, Ministers Plenipotentiary, Consuls, Secretaries and staff by the Governor in Council; assistance and repatriation of distressed Canadian citizens and persons of Canadian domicile abroad, including their dependents; cultural relations and academic exchange programs with other countries, $44,591,300.

The Chairman: Shall vote No. 1 carry?

Some hon. Members: On division.

The Chairman: Carried, on division.

Item agreed to.

(The following items were agreed to:)

10. Construction, Acquisition or Improvement of Buildings, Works, Land and Equipment, $7,000,000.

15. Assessments, grants, contributions and other payments to International (including Commonwealth) Organizations and International Multilateral Economic and Special Aid Programs as detailed in the Estimates, including authority to pay assessments in the amounts and in the currencies in which they are levied, and authority to pay other amounts specified in the currencies of the countries indicated, notwithstanding that the total of such payments may exceed the equivalent in Canadian dollars, estimated as of January, 1968, $33,362,850.

External Aid Office—

30. Salaries and Expenses, $4,003,000.

35. Economic, technical, educational and other assistance as detailed in the Estimates, $138,500,000.

International Joint Commission—

40. Salaries and Expenses of the Commission and Canada's share of the expenses of studies, surveys and investigations of the Commission, $484,100.

External Aid Office—

L25. Special loan assistance to developing countries and to recognized international development institutions in the current and subsequent fiscal years, subject to such terms and conditions as the Governor in Council may approve, for the purpose of undertaking such economic, technical and educational assistance as may be agreed upon by Canada and the developing countries or recognized international development institutions, $106,000,000.

The Chairman: That concludes the estimates of the Department of External Affairs. The committee will now deal with the estimates of the Department of Finance.

DEPARTMENT OF FINANCE

Administration—

1. Departmental Administration including administration of the guaranteed loans Acts, the Inspector General of Banks' Office, and payments to provinces as detailed in the Estimates, $3,970,500.

The Chairman: Shall vote No. 1 carry?

Some hon. Members: On division.

The Chairman: Carried, on division.

(The following items were agreed to:)

3. Grant to the YM-YWCA toward the cost of construction of a building in Ottawa, $700,000.

5. Payments, computed in accordance with terms and conditions approved by the Governor in Council, to the Government of each Province in respect of income tax paid by corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam; the said payments to be made in respect of such part of the income of the corporation for the taxation year ending in the calendar year 1966 (as determined under and for the purposes of the Income Tax Act) as is derived from the said distribution or generation in the Province to which payment is made to the extent of that part of the amount so determined that the number of days in the taxation year that are in 1965 are of the number of days in the taxation year, and in respect of similar income of such corporations for any taxation year ending in a calendar year prior to 1966 that was not taken into account in computing payments made in respect of that taxation year, $2,500,000.

Municipal Grants—

10. Grants to Municipalities in accordance with the Municipal Grants Act and Regulations made thereunder, and grants to municipalities in lieu of redevelopment charges in accordance with terms and conditions prescribed by the Governor in Council, $45,850,000.

15. Grants to provinces in respect of a fiscal year commencing after December 31, 1966, and in respect of Federal property situate therein, where a real estate tax has been imposed or levied on property by a province to finance services that are ordinarily provided throughout Canada by municipalities, the grants to be calculated, subject to terms and conditions approved by the Governor in Council, in the same manner as grants to municipalities under the Municipal Grants Act, $2,000,000.

Tariff Board—

25. Administration, $315,000.

Royal Canadian Mint—

30. Administration, Operation and Maintenance, and to authorize, notwithstanding Section 17(2) of the Currency, Mint and Exchange Fund Act, the payment, out of revenues received by the Royal Canadian Mint from the issue of coins, of compensation on terms and conditions approved by the Treasury Board to owners of coin vending machines or their agents in respect of the purchase or modification of coin selectors, $2,567,300.

32. Payment to the United States Mint, notwithstanding the Currency, Mint and Exchange Fund Act, in respect of the manufacture of coins of the currency of Canada pursuant to an agreement to be entered into with the approval of the Treasury Board between the United States Mint and the Royal Canadian Mint, $210.000.

35. Construction or Acquisition of Equipment, $216,000.

Municipal Development and Loan Board—

45. Administration, $12,000.

Supply—Items Passed

Insurance—

55. Supervision of Companies and Actuarial Services, $1,467,300.

Department—

L28. To authorize the Minister of Finance to make contributions out of the Consolidated Revenue Fund to the International Development Association in the fiscal years 1968-69 1969-70 and 1970-71 of an amount or amounts not exceeding in the whole $75,000,000 U.S., in addition to the amounts provided by section 4 of the International Development Association Act and Appropriation Act No. 10, 1964, including authority for the Minister of Finance, on behalf of the Government of Canada, to issue to the Association in respect of such contributions, pending cash requirements by the Association, non-interest-bearing and non-negotiable demand notes in such form as the Minister may determine; notwithstanding that the contributions may exceed or fall short of the equivalent in Canadian dollars, estimated as of September, 1968 which is, $81,081,000.

L29. To authorize the Minister of Finance in the current and subsequent fiscal years to place on deposit in an account in the name of the Receiver General of Canada in the Bank for International Settlements, Basle, Switzerland, US or Canadian dollar amounts not exceeding in the aggregate US $100 million, notwithstanding that this amount may exceed or fall short of the equivalent in Canadian dollars, estimated as of September, 1968, which is, $107,343,750.

The Chairman: That concludes the estimates of the Department of Finance.

GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS

5a. To extend the purposes of Governor General and Lieutenant-Governors Vote 5 of the Revised Estimates for 1968-69 to authorize reimbursement to the Lieutenant-Governor of the Province of New Brunswick of the costs of travelling and hospitality not claimed during the fiscal year 1967-68, $2,000.

The Chairman: This concludes those estimates.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. Did we not pass these estimates some time ago?

The Chairman: No, not that particular vote.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Administration—

1. Departmental Administration, $2,940,700.

Some hon. Members: On division.

Item agreed to.

Indian Affairs—

5. Administration, Operation and Maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the Estimates, recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and Territories and with local School Boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the Governments of the Provinces or the Territories or other groups or authorities approved of by the Governor in Council for the provision of welfare and other services to Indians, and authority to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, $101,201,000.

10. Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the share of Provincial Governments of expenditures on roads and related works and equipment, construction or acquisition of works for Indian Bands, the operation and control of which may be transferred to the Indian Bands at the discretion of the Minister of Indian Affairs and Northern Development, expenditures on works on other than federal property, assistance to Indians and Indian Bands for the construction or acquisition of housing and other buildings and related works, land and equipment, and recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and the Territories and with local School Boards in respect of the education in Indian schools of children other than Indian children, $34,237,000.

Northern Program—

20. Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Governments of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs, $40,466,300.

25. Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the

Government of the Northwest Territories of expenditures on Education and Vocational Training; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the Department is capable of performing such service or work; authority for a program of construction and acquisition of housing for Indians and Eskimos and the sale of houses to Indians and Eskimos on such terms and conditions and at such prices as the Governor in Council may approve, including the sale to Eskimos at a price $1,000 less than cost for one-room and one-bedroom houses and $2,000 less than cost for larger houses; and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $26,195,600, $22,265,700.

33. Payment to the Government of the Northwest Territories in accordance with an agreement between Canada and the Northwest Territories, the agreement to provide that the Government of the Northwest Territories will not impose, levy or collect individual income taxes, corporation income taxes, corporation taxes or succession duties, as defined in the agreement; the payment to the Government of the Northwest Territories under the agreement to be calculated on the following bases:

(a) A subsidy of eighty cents per head in respect of the population of the Northwest Territories as determined by the 1961 census;

(b) A grant in aid of the Government and Council of the Northwest Territories of $30,000; and

(c) An operating grant in the amount of $5,104,660 which, when added to the payments under paragraphs (a) and (b), will equal the estimated operating deficit of the Government of the Northwest Territories in the current fiscal year;

together with payments in respect of amortization payments on outstanding loans for capital expenditures in the Northwest Territories, as provided in the agreement, $6,392,100.

34. Payment to the Government of the Yukon Territory in accordance with an agreement to be entered into by the Minister of Finance with the approval of the Governor in Council on behalf of the Government of Canada, and the Commissioner of the Yukon Territory, on behalf of the Government of the Yukon Territory, such agreement to provide (on such terms and conditions as may be agreed upon) that the Government of the Yukon Territory will not impose, levy or collect the taxes specified in the agreement, the payment to the Government of the Yukon Territory to be calculated in accordance with such agreement; payments in respect of amortization payments on outstanding loans for capital expenditures in the Yukon Territory, as provided in the agreement; and to authorize interim payments to the Government of the Yukon Territory prior to the signing of the said agreement (the amount payable under the agreement to be reduced by the aggregate of all interim payments), **$5,576,300.**

Conservation—

35. Administration, Operation and Maintenance including grants as detailed in the Estimates, payment to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec and authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia, $22,217,000.

Some hon. Members: On division.

Item agreed to.

40. Construction or Acquisition of Buildings, Works, Land and Equipment including expenditures on works on other than Federal property and authority to make expenditures on proposed new national parks in the areas of Kejimkujik Lake in Nova Scotia and in New Brunswick and Newfoundland, $19,230,900.

Indian Affairs—

L35. To provide that the total amount of outstanding advances at any one time with respect to loans to Indians under Section 69 of the Indian Act, notwithstanding subsection 5 thereof, shall not exceed $2,400,000; additional amount required, $400,000.

L40. To increase to $2,000,000 the amount authorized for loans to Indians and Eskimos by Loans, Investments and Advances Votes L51a, Appropriation Act No. 9, 1966, L51g, Appropriation Act No. 2, 1967 and L51a, Appropriation Act No. 7, 1967, which votes authorized loans and advances to Indians and Eskimos for the construction or acquisition of houses and land in areas other than Indian Reserves, including authority to forgive repayment thereof, $999,999.

Northern Program—

L45. To increase to $990,000 the amount authorized for loans to the Government of the Yukon Territory by Loans, Investments and Advances Vote 672, Appropriation Act No. 2, 1962, as amended, which Vote authorized the making of mortgage loans for low-cost housing to residents of the Territory; additional amount required, $350,000.

L50. To authorize loans to the Government of the Yukon Territory, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, for the development of a townsite at Anvil, Yukon Territory, $500,000.

L55. To increase to $150,000 the amount authorized for loans to the Government of the Yukon Territory by Loans, Investments and Advances Vote 762, Appropriation Act No. 2, 1961, which Vote authorized the making of second mortgage loans to residents of the Territory for the purchase or construction of houses in the Territory under the National Housing Act; additional amount required, $50,000.

L60. To increase to $7,780,064 the amount authorized for loans, in the current and subsequent fiscal years, to the Government of the Yukon Territory, by Votes L45, Appropriation Act No. 5, 1967 and L45c, Appropriation Act No. 1, 1968 which Votes authorized loans for capital expenditures on terms and conditions approved by the Governor in Council; additional amount required, $2,780,063.

Supply—Items Passed

Northern Canada Power Commission—

L65. Advances to the Northern Canada Power Commission for the purpose of capital expenditure in accordance with section 15 of the Northern Canada Power Commission Act, $8,200,000.

Northern Transportation Company Limited—

L70. Loans to Northern Transportation Company Limited in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, to finance the acquisition of transportation facilities for use on the Mackenzie River and Central Arctic Coast, $6,000,000.

The Chairman: That concludes the estimates of the Department of Indian Affairs and Northern Development.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Trade and Commerce—

General Administration—

20. Departmental Administration, $2,146,271.

Some hon. Members: On division.

Item agreed to.

25. Trade Development including fees for membership in the International Organizations listed in the details of the Estimates, $19,889,800.

30. Canadian Government Travel Bureau—To assist in promoting the Tourist Business in Canada including a grant of $60,000 to the Canadian Tourist Association, $10,274,900.

World Exhibitions—

35. Canadian Government Participation in World Exhibitions, $2,394,000.

C—Dominion Bureau of Statistics—

40. Administration and Operation including the fee for membership in the Inter-American Statistical Institute and a contribution of $500 to the International Statistical Institute, $27,405,000.

The Chairman: That concludes the estimates of the Department of Industry, Trade and Commerce.

DEPARTMENT OF JUSTICE

1. Administration, including grants and contributions as detaileed in the Estimates, gratuities to the widows or such dependents as may be approved by Treasury Board of Judges who die while in office, and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $5,892,200.

Some hon. Members: On division.

Item agreed to.

The Chairman: That concludes the estimates of the Department of Justice.

LEGISLATURE

The Chairman: The committee will now deal with the estimates of Legislature.

[The Chairman.]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I would like a standing vote on estimates 1 and 5, which are for the Senate.

The Chairman: For the clarification of the members of the committee the vote is on vote 1 of the estimates of legislature.

The Senate—

Members of the Senate—

1. Allowance in lieu of residence to the Speaker of the Senate, $3,000.

Item agreed to: Yeas, 90; nays, 13.

The Chairman: I declare vote 1 carried.

• (10:10 p.m.)

5. General Administration, $1,604,100.

The Chairman: Shall vote 5 carry?

Mr. Drury: I wonder if hon. members would agree that the count on vote 1 stand for vote 5?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No; please call a vote.

Item agreed to: Yeas, 93; nays, 18.

House of Commons—

Members of the House of Commons—

10. Allowances in lieu of residence to the Speaker of the House of Commons, and in lieu of Apartments to the Deputy Speaker of the House of Commons; allowances to the Deputy Chairman and to the Assistant Deputy Chairman of Committees, $12,500.

Item agreed to.

15. Expenses of the Canada-United States Inter-Parliamentary Group, of delegates attending other inter-parliamentary conferences, expenses connected with visits of delegates to and from other legislatures, Canada's share of the expenses of the Commonwealth Parliamentary Association including the assessment for membership in the Association, and grants as detailed in the Estimates, $190,800.

Item agreed to.

20. General Administration, $9,192,100.

Item agreed to.

Library of Parliament—

25. General Administration, $723,900.

Item agreed to.

The Chairman: That completes the items in the estimates of legislature. The committee will now consider the estimates of the Department of Manpower and Immigration.

DEPARTMENT OF MANPOWER AND IMMIGRATION

(The following items were agreed to:)

Departmental Administration—

1. Administration, Operation and Maintenance, $4,771,300.

Item agreed to.

Development and Utilization of Manpower—

5. Administration, Operation and Maintenance, including the administration of the Manpower Mobility Regulations and payments in respect of persons who are being afforded occupational training under the Adult Occupational Training Act, $154,449,000.

Item agreed to.

10. Grants, Contributions and Subsidies in accordance with the terms and conditions specified in the sub-vote titles listed in the Details of the Estimates, $204,435,000.

Some hon. Members: On division.

Item agreed to.

Immigration—

15. Administration, Operation and Maintenance, including trans-oceanic and inland transportation and other assistance for immigrants and settlers subject to the approval of Treasury Board, including care en route and while awaiting employment; and payments to the Provinces, pursuant to agreements entered into with the approval of the Governor in Council, in respect of expenses incurred by the Provinces for indigent immigrants and $36,000 for grants to Immigrant Welfare Organizations, $23,692,000.

Item agreed to.

Program Development—

20. Administration, Operation and Maintenance, $5,522,600.

Mr. McGrath: I am rising on a point of order, Mr. Chairman. You are calling these items much too quickly for us to follow. I suggest you slow down. I don't care if we are here all night. We are voting millions of dollars, and I suggest we slow down our procedure.

The Chairman: There is no objection at all to observing the request of the hon. member. Shall vote 20 carry?

Item agreed to on division.

(The following items were agreed to):

25. Grants, Contributions and Subsidies as detailed in the Estimates, $775,000.

Item agreed to.

Immigration Appeal Board—

30. Administration, Operation and Maintenance, $588,000.

Item agreed to.

The Chairman: This concludes the estimates of the Department of Manpower and Immigration. The committee will now consider the estimates of the Department of National Defence.

DEPARTMENT OF NATIONAL DEFENCE

(The following items were agreed to):

A—Department—

Administration—

1. Departmental Administration, Operation and Maintenance including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the Treasury Board, for total commitments of $2,778,219,375 for the purposes of Votes 1, 5, 7, 10, 12, 15, 20, 25, 30, 35 and 45 of this Department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,079,322,000 will come due for payment in future years) and authority to make recoverable advances under any of the said votes and, notwithstanding the Financial Administration Act, to spend revenue received during the year, subject to the direction of the Treasury Board, in respect of assistance rendered to the United Nations, the North Atlantic Treaty Organization or any member thereof, any member of the British Commonwealth or any provincial or municipal government and in respect of charges for supplies and services as authorized by Treasury Board and made pursuant to regulations under the National Defence Act, $6,465,000.

Some hon. Members: On division.

Item agreed to.

5. Grants to Military Associations, Institutes and other organizations as detailed in the Estimates, $246,375.

Item agreed to.

Emergency Measures Organization—

7. Administration and Operation, $2,896,800.

Item agreed to.

10. Construction or Acquisition of Buildings, Works, Land and Equipment, including authority to make recoverable advances not exceeding in the aggregate the amounts of the shares of the Governments of the Provinces of the costs of joint programs, $249,000.

Item agreed to.

12. Grants to Provinces and Municipalities for Civil Defence and related purposes and authority to make recoverable advances in accordance with terms and conditions approved by the Treasury Board, $3,750,000.

Item agreed to.

Supply—Items Passed

Defence Services—

15. Operation and Maintenance and Construction or Acquisition of Buildings, Works, Land and Major Equipment and Development for the Canadian Forces, $1,488,557,000.

Item agreed to.

20. Grants to the Town of Oromocto, $2,000,000.

Item agreed to.

Defence Research—

Defence Research Board—

25. Operation and Maintenance, $32,411,000.

Some hon. Members: On division.

Item agreed to.

30. Construction or Acquisition of Buildings, Works, Land and Equipment, $11,044,000.

Some hon. Members: On division.

Item agreed to.

35. Grants and Contributions as detailed in the Estimates, $7,400,000.

Item agreed to.

Mutual Aid—

45. Contributions to infrastructure and the military costs of the North Atlantic Treaty Organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of the Defence Appropriation Act, 1950, not exceeding a total of $19,986,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian Forces estimated in the amount of $4,686,000 and provided by appropriations for those Forces in the current and former years in respect of which, notwithstanding sub-section (3) of section 3 of the said Act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, $15,300,000.

Item agreed to.

General—

48. To authorize, notwithstanding the Financial Administration Act and section 11 of the Surplus Crown Assets Act, the payment into the special account in the Consolidated Revenue Fund referred to in National Defence Vote 48 of the Main Estimates for 1965-66 of revenues received during the current and subsequent fiscal years from the sale during the current fiscal year of surplus buildings, works and land not exceeding an aggregate amount of $10,000,000, $1.

Item agreed to.

Pensions and Other Benefits—

50. Civil Pensions as detailed in the Estimates and to authorize in the current and subsequent fiscal years in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British Commonwealth Air Training Plan who were killed, payments to their dependants of amounts equal to the amounts such dependants would have received under the Pension Act, as amended, had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependants under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organization, $10,514.

[The Chairman.]

Item agreed to.

B—Defence Construction (1951) Limited—

55. Expenses incurred by Defence Construction (1951) Limited in procuring the construction and maintenance of defence projects on behalf of the Department of National Defence and procuring the construction of such other projects as are approved by Treasury Board, $2,295,000.

Some hon. Members: On division.

Item agreed to.

The Chairman: This concludes the estimates of the Department of National Defence. The committee will now consider the estimates of the Department of National Health and Welfare.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

(The following items were agreed to:)

Administration—

1. Departmental Administration including recoverable expenditures on behalf of the Canada Pension Plan, and $500,000 for Health Grants and Welfare Grants, under terms and conditions approved by the Treasury Board, for research and demonstration activities in the field of Mental Retardation, $4,466,000.

Some hon. Members: On division.

Item agreed to.

Health Services—

5. Administration, Operation and Maintenance, including recoverable expenditures on behalf of the Canada Pension Plan and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic services, $7,249,000.

Item agreed to.

6. Construction or Acquisition of Buildings, Works, Land and Equipment, $570,000.

Item agreed to.

Health Insurance and Resources—

8. Administration, Operation and Maintenance, including grants as detailed in the Estimates, $1,600,000.

Item agreed to.

9. Grant to the Narcotic Addiction Foundation of British Columbia in accordance with terms and conditions approved by the Treasury Board, $200,000.

Item agreed to.

10. To authorize General Health Grants to the Provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the Estimates and under terms and conditions approved by the Governor in Council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $40,370,900, $31,196,000.

Some hon. Members: On division.

Item agreed to.

15. To authorize Hospital Construction Grants to the Provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the Estimates and under terms and conditions approved by the Governor in Council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $33,671,500, $18,000,000.

Item agreed to.

17. Amount to be credited to the hospital insurance supplementary fund established by National Health and Welfare Vote 17a, Appropriation Act No. 9, 1966, for payments in respect of the cost of insured services incurred by a person who, through no fault of his own, ceased to be eligible for and entitled to insured services under the Hospital Insurance and Diagnostic Services Act, $21,000.

Item agreed to.

Medical Services—

20. Administration, Operation and Maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be paid by the Governments of the Provinces and Territories under agreements to be entered on terms approved by the Governor in Council with such Governments in respect of health assistance to persons residing on Indian Reserves other than Indians and to residents of the Territories other than Indians and Eskimos, $40,728,000.

25. Construction or Acquisition of Buildings, Works, Land and Equipment including payments to hospitals and other institutions which care for Indians and Eskimos as contributions toward the construction of hospitals and related facilities, $1,386,000.

Food and Drug Services—

30. Administration, Operation and Maintenance, $8,763,300.

35. Construction or Acquisition of Equipment, $469,000.

Welfare Services—

40. Administration, Operation and Maintenance including recoverable expenditures on behalf of the Canada Pension Plan, and grants as detailed in the Estimates, $9,784,000.

Some hon. Members: On division.

Item agreed to.

(The following items were agreed to:)

41. Family Assistance, under such terms and conditions as may be approved by the Treasury Board, in respect of children of immigrants and settlers, $5,780,000.

45. National Welfare Grants—To authorize, on terms and conditions approved by the Governor in Council, National Welfare Grants to Provinces and Welfare Agencies including Schools of Social Work, and to individuals in the form of scholarships and fellowships, $2,450,000.

Medical Research Council—

50. Administration, Operation and Maintenance, $303,000.

55. Scholarships and Grants in aid of Research in accordance with terms and conditions prescribed by the Governor in Council, $26,943,000.

The Chairman: That concludes the estimates of the Department of National Health and Welfare. The committee will now consider the estimates of the Department of National Revenue.

DEPARTMENT OF NATIONAL REVENUE

Customs and Excise—

1. General Administration, Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $61,429,000.

Some hon. Members: On division.

Item agreed to.

Taxation—

5. General Administration and District Offices including recoverable expenditures on behalf of the Canada Pension Plan, $62,725,600.

Some hon. Members: On division.

Item agreed to.

Tax Appeal Board—

10. Administration Expenses, $211,300.

Item agreed to.

The Chairman: This concludes the estimates of the Department of National Revenue. The committee will now consider the estimates of the Department of Public Works.

DEPARTMENT OF PUBLIC WORKS

1. General Administration, including grants as detailed in the Estimates, $31,015,000.

Some hon. Members: On division.

Item agreed to.

(The following items were agreed to:)

Accommodation Services—

5. Maintenance and Operation of public buildings and grounds, including the provision, on a recoverable basis, of accommodation and related services

for Canada Pension Plan purposes, and authority to provide assistance to (a) the International Civil Aviation Organization in the form of office accommodation at less than commercial rates and (b) the Ottawa Civil Service Recreation Association in the form of maintenance services in respect of the W. Clifford Clark Memorial Centre in Ottawa, $96,707,800.

10. Acquisition of equipment and furnishings other than office furnishings, $1,512,500.

15. Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings (including expenditures on works on other than federal property); provided that no contract may be entered into for new construction with an estimated total cost of $50,000 or more unless the project is individually listed in the Details of the Estimates, $79,761,800.

Harbours and Rivers Engineering Services—

20. Operation and Maintenance, $8,082,000.

25. Construction or Acquisition of Equipment, $495,400.

30. Construction, acquisition, major repairs and improvements of, and plans and sites for, harbour and river works (including expenditures on works on other than federal property); provided that no contract may be entered into for new construction with an estimated total cost of $50,000 or more unless the project is individually listed in the Details of the Estimates, $23,905,000.

Roads, Bridges and Other Engineering Services—

35. Operation and Maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the operating expenses of the New Westminster Bridge, $7,099,100.

40. Construction, acquisition, major repairs and improvements of, and plans and sites for the roads, bridges and other engineering works listed in the Details of the Estimates, provided that the amounts within the Vote to be expended on individually listed projects may be increased or decreased subject to the approval of Treasury Board, $10,895,000.

Trans-Canada Highway—

50. Construction through National Parks, $212,000.

Testing Laboratories—

55. Operation and Maintenance, $1,143,200.

The Chairman: This concludes the estimates of the Department of Public Works. The committee will now consider the estimates of the Secretary of State.

SECRETARY OF STATE

(The following items were agreed to:)

Department—

1. Departmental Administration, including grants as detailed in the Estimates, $1,513,500.

2. Construction or Acquisition of Buildings, Works, Land and Equipment—National Arts Centre, $11,500,000.

[The Chairman.]

Citizenship—

5. Administration, Operation and Maintenance including grants and contributions for language instruction and citizenship promotion, and grants to organizations as detailed in the Estimates, $4,550,200.

Translation—

10. Translation Bureau including $50,000 for grants for post-graduate studies in translation, $4,885,000.

Canada Council—

25. Grant to the Canada Council, within the meaning of section 20 of the Canada Council Act, to be used for the general purposes set out in section 8 of the Act, $20,580,000.

Canadian Broadcasting Corporation—

30. Grant in respect of the net operating amount required to discharge the responsibilities of the broadcasting service, $151,100,000.

Some hon. Members: On division.

Item agreed to.

(The following items were agreed to:)

Canadian Radio-Television Commission—

40. Salaries and Other Expenses, $1,714,000.

Office of the Chief Electoral Officer—

45. Salaries and Expenses of Office, $165,500.

Company of Young Canadians—

48. Payment to the Company of Young Canadians, $1,900,000.

Some hon. Members: On division.

Item agreed to.

(The following items were agreed to:)

National Arts Centre Corporation—

50. Payments to the National Arts Centre Corporation to be used for the purposes set out in the National Arts Centre Act, $1,078,000.

National Film Board—

55. Administration, Production and Distribution of Films and other Visual Materials, $9,426,300.

60. Acquisition of Equipment, $573,700.

National Library—

65. General Administration including a payment of $140,000 to the National Library Purchase Account for the purpose of acquiring books, in conformity with section 12 of the National Library Act, $1,585,000.

National Museums of Canada—

70. Administration, operation and Maintenance including the payment of $1,050,000 to the National Museums Purchase Account for the purpose of acquiring works of art, artifacts and objects in conformity with section 10 (1) of the National Museums Act, and grants as detailed in the Estimates, $7,198,500.

Public Archives—

75. General Administration and Technical Services, $2,267,000.

Public Service Commission—

80. Salaries and Contingencies of the Commission including compensation in accordance with the Incentive Award Plan of the Public Service of Canada, and the Public Service Bilingual and Bicultural Development Program, $13,391,200.

Some hon. Members: On division.

Item agreed to.

(The following items were agreed to:)

85. Construction or Acquisition of Buildings, Works, Land and Equipment, including the Public Service Bilingual and Bicultural Development Program, $614,700.

Canadian Broadcasting Corporation—

L100. Loans in accordance with terms and conditions prescribed by the Governor in Council to the Canadian Broadcasting Corporation for the purpose of capital expenditures, $25,000,000.

The Chairman: That concludes the estimates of the Secretary of State. The committee will now consider the estimates of the Solicitor General.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. I wonder whether it is correct for the Chair to say that the committee is going to consider the estimates. Would it not be better to say that we are going to vote on the estimates?

The Chairman: That is probably a fair distinction.

Mr. McGrath: On the same point of order, would the Chairman call the page number when he calls a new department, to expedite the passage of the estimates?

The Chairman: Order, please. If I put it more slowly, would this serve the same purpose?

• (10:20 p.m.)

Mr. McGrath: Mr. Chairman, for clarification would Your Honour when calling the first item of any department also call out the page on which that item is to be found?

The Chairman: Estimates of the Department of the Solicitor General will now be considered. Item 1 is to be found on page 468 of the blue book and details thereof at page 470.

DEPARTMENT OF THE SOLICITOR GENERAL

(The following items were agreed to:)

Department—

1. Departmental Administration including administrative expenses of the Committee on Corrections plus such fees, salaries and expenses as may be approved by Treasury Board for members and the panel of consultants and staff named by the Minister to advise and assist the Committee, and grants as detailed in the Estimates, $1,266,000.

Correctional Services—

5. Administration, Operation and Maintenance including compensation to discharged inmates permanently disabled while in Penitentiaries and a contribution of $25,000 to the Township of Brighton, Ontario towards the reconstruction of a road, $48,623,000.

10. Construction or Acquisition of Buildings, Works, Land and Equipment, $19,422,000.

Royal Canadian Mounted Police—

National Police Services, Federal Law Enforcement Duties and Provincial and Municipal Policing under Contract—

15. Administration, Operation and Maintenance, including grants as detailed in the Estimates and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year, $67,583,000.

20. Construction or Acquisition of Buildings, Works, Land and Equipment, $6,546,000.

The Chairman: That concludes the estimates of the Solicitor General.

The committee will now consider the estimates of supply and services, to be found at page 481 of the blue book. Vote 40 is at page 483.

SUPPLY AND SERVICES

Canadian Commercial Corporation—

40. Administration and Operation, $2,337,000.

The Chairman: Shall the item carry?

An hon. Member: On division.

Item agreed to.

The Chairman: The committee will now deal with the estimates of the Department of Transport, vote 1 to be found at page 496 of the blue book.

DEPARTMENT OF TRANSPORT

Department—

1. Departmental Administration, $8,292,200.

Mr. Bell: Where the hell is the minister?

The Chairman: Is item 1 agreed to?

An hon. Member: On division.

Item agreed to.

(The following items were agreed to:)

3. Reimbursement of the Department of Transport working capital advance for the value of stores which have become obsolete, unserviceable, lost or destroyed, $200,000.

Supply—Items Passed

Marine Services—

5. Administration, Operation and Maintenance including fees for membership in the International Organizations listed in the details of the Estimates, pensions, grants and contributions as detailed in the Estimates, the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act and, in respect of the Canadian Coast Guard Service, authority to make recoverable advances for transportation, stevedoring and other shipping services performed on behalf of individuals, outside agencies and other governments and authority, notwithstanding the Financial Administration Act, to make commitments for the current fiscal year for this Vote not to exceed a total amount of $59,905,800 and to spend revenue received during the current fiscal year, $49,787,800.

10. Construction or Acquisition of Buildings, Works, Land, Vessels and Equipment including payments to Provinces or Municipalities as contributions towards construction done by those bodies, $46,628,000.

Railways and Steamships—

15. Payments to the Canadian National Railway Company (hereinafter called the Company) upon applications approved by the Minister of Transport made by the Company to the Minister of Finance, to be applied by the Company in payment of the deficits, certified by the auditors of the Company, arising in the operations in the calendar year 1968 in respect of the following:

(i) Canadian National Railways System, (subject to recovery therefrom of accountable advances made to the Company from the Consolidated Revenue Fund)

(ii) Ferry Services:

Newfoundland Ferry and Terminals; Prince Edward Island Ferry and Terminals and Yarmouth, N.S.-Bar Harbour, Maine, U.S.A., $39,293,000.

20. Construction or Acquisition of Buildings, Works and Land, Dock and Terminal Facilities, including improvements to Terminal Facilities owned by Newfoundland, and of Vessels and Related Equipment as listed in the Details of the Estimates provided that Treasury Board may increase or decrease the amounts within the Vote to be expended on individually listed projects, $8,338,000.

25. Payments, grants and contributions in the amounts and subject to the terms specified in the sub-vote titles listed in the Details of the Estimates, $21,855,000.

Air Services—

30. Administration, Operation and Maintenance including the administration of the Aeronautics Act and Regulations issued thereunder and authority, notwithstanding the Financial Administration Act, to make commitments for the current fiscal year for this Vote not to exceed a total amount of $131,314,600 and to spend revenue received during the current fiscal year, $92,573,600.

The Chairman: Is item 30 agreed to?

[The Chairman.]

An hon. Member: On division.

Item agreed to.

(The following items were agreed to:)

35. Construction or Acquisition of Buildings, Works, Land and Equipment including national airports (as determined by the Minister of Transport) and related facilities, contributions towards construction done by local or private authorities with respect to such airports; amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act, and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed, for Airports and Other Ground Services a total amount of $45,404,700, for Radio Aids to Air and Marine Navigation a total amount of $17,268,000 and for Meteorological Services a total amount of $4,496,000, $62,031,500.

40. Grants, contributions, subsidies and other payments as detailed in the Estimates, and Canada's assessment for membership in the World Meteorological Organization, $3,251,000.

Central Mortgage and Housing Corporation—

45. To reimburse Central Mortgage and Housing Corporation for expenditures on housing research and community planning, for the amounts of loans for sewage treatment projects forgiven to a Province, municipality or municipal sewerage corporation, for contributions made for an urban renewal scheme or pursuant to an urban renewal agreement, for losses resulting from the operation of public housing projects, and for net losses resulting from the sale of mortgages from its portfolio, $38,100,000.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when you call item 50 may I say that we should like a standing vote on Jack Pickersgill's estimates.

Some hon. Members: Hear, hear.

Canadian Transport Commission—

50. Administration, Operation and Maintenance including the degaussing of Canadian Government ships and Canadian-owned merchant ships of 3,000 gross tons to 20,000 gross tons of Canadian registry or United Kingdom registry if subject to re-transfer to Canadian registry under special intergovernmental arrangement, $4,600,900.

The Chairman: The question is on item 50. Is the committee ready for the question?

Item agreed to: yeas, 70; nays, 42.

The Chairman: I declare item 50 carried.

55. Payment of operating subsidies as approved by Treasury Board to regional air carriers, $3,000,000.

An hon. Member: On division.

Item agreed to.

(The following items were agreed to:)

60. Amount to be credited to the Railway Grade Crossing Fund, in addition to the amount to be credited to the Fund under the Railway Act in the current fiscal year, for the general purposes of the Fund and, notwithstanding section 30 of the Financial Administration Act, to authorize the making of commitments totalling $48,967,000 (in addition to any commitments in respect of which amounts are appropriated under this or any other Act) in the current and subsequent fiscal year, $10,000,000.

65. Steamship Subventions for Coastal Services as detailed in the Estimates, $11,033,300.

National Harbours Board—

70. Payments to National Harbours Board, subject to the provisions of section 29 of the National Harbours Board Act, to meet reconstruction and capital expenditures during the calendar year 1968 as detailed in the Estimates, $7,450,000.

75. Payment to the National Harbours Board to be applied in payment of the deficit (exclusive of interest on advances authorized by Parliament and depreciation on capital structures) expected to be incurred in the calendar year 1968 in the operation of the Jacques Cartier Bridge, Montreal Harbour, $430,000.

80. To authorize expenditures by the National Harbours Board, either by itself or on behalf of or in co-operation with others for the construction of retaining walls along the banks of the St. Charles River between the proposed dam at the mouth of the river and Scott Bridge at Quebec Harbour; such amounts to be credited to the National Harbours Board Special Account and to constitute an absolute grant without interest, notwithstanding sections 28 and 29 of the National Harbours Board Act, $2,000,000.

St. Lawrence Seaway Authority—

85. Operating deficit and capital requirements of Canals and Works entrusted to the St. Lawrence Seaway Authority with the approval of the Governor in Council, and to authorize, notwithstanding the Financial Administration Act or any other Act, the disbursement by the Authority of revenues derived from the operation and management of such Canals and Works, $2,400,000.

90. Payment to the St. Lawrence Seaway Authority, upon application approved by the Minister of Transport, made by the Authority to the Mininster of Finance, to reimburse the Authority in respect of the Welland Canal deficit incurred by the Authority during the calendar year 1968, $9,855,000.

Some hon. Members: On division.

Mr. Bell: This gets bigger every year.

General—

L105. Loans to the Fraser River Harbour Commission on terms and conditions approved by the Governor in Council to assist in financing wharf reconstruction and extension, $1,395,000.

Central Mortgage and Housing Corporation—

L115. Advances to Central Mortgage and Housing Corporation in respect of housing and land development projects undertaken jointly with the Governments of the Provinces, in respect of loans to municipalities for the construction or expansion of sewage treatment projects, in respect of loans made to assist in the implementation of an urban renewal scheme, and for the acquisition, development, construction or improvement of land and buildings, $90,200,000.

National Harbours Board—

L120. Advances to National Harbours Board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1968 on any or all of the following accounts:

Reconstruction and Capital Expenditures—

St. John's	$ 515,000
Trois-Rivières	277,000
Montreal	7,838,000
Vancouver	8,360,000
	16,990,000
Less—amount to be expended from Replacement and other Board Funds	2,290,000

St. Lawrence Seaway Authority—

L125. Loans to the St. Lawrence Seaway Authority in such manner and subject to such terms and conditions as the Governor in Council may approve, $41,000,000.

The Chairman: That concludes the estimates of the Department of Transport.

TREASURY BOARD

The Chairman: The committee will now deal with the estimates of the Treasury Board to be found on page 544 of the Blue Book.

Mr. Knowles (Winnipeg North Centre): Item 10 has been carried.

The Chairman: The first vote is vote 15 on page 545.

National Research Council—

15. Administration, Operation and Maintenance, $45,033,000.

Mr. Baldwin: On division.

Item agreed to.

(The following items were agreed to:)

20. Construction or Acquisition of Buildings, Works, Land and Equipment, $5,399,000.

25. Scholarships and Grants in aid of Research, $59,017,000.

30. Assistance towards Research in Industry under terms and conditions approved by the Governor in Council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $7,300,000, $6,100,000.

The Chairman: That concludes the estimates of the **Treasury Board.**

Supply—Items Passed

DEPARTMENT OF VETERANS AFFAIRS

The Chairman: The committee will now deal with the estimates of the Department of of Veterans Affairs. These estimates are to be found on page 556.

Administration—

1. Departmental Administration, $5,742,000.

Welfare Services, Allowances and Other Benefits—

5. Administration, including the expenses of the War Veterans Allowance Board, $6,596,400.

10. War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations, $108,680,000.

15. Other Benefits, including Education Assistance, Hospital Insurance Premiums or payments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Estimates, $3,446,200.

Pensions—

20. Administration, $3,201,000.

25. Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards; Burial Grants; and Gallantry Awards (World War II and Special Force), $225,229,000.

Treatment Services—

30. Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, $53,780,000.

35. Hospital Construction, Improvements, Equipment and Acquisition of Land including contributions to Provinces and other authorities towards such costs, $6,569,000.

38. Treatment and Related Allowances, $3,030,000.

Soldier Settlement and Veterans' Land Act—

40. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; and to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible, and for such other work on other properties as may be required to protect the interest of the Director therein, $5,414,000.

45. Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act, $110,000.

The Chairman: That concludes the business of the committee of supply for the time being. Shall I rise and report certain resolutions—

Mr. Bell: On a point of order, I just want it to be recorded in *Hansard* for all posterity to see that the government, with its huge majority, has crammed through billions of dollars without the opposition having a chance to say anything about it.

Some hon. Members: Hear, hear.

An hon. Member: Why didn't you vote against them?

Resolutions adopted in committee of supply this day reported and concurred in.

WAYS AND MEANS

House in committee of ways and means, Mr. Faulkner in the chair.

Mr. Drury moved:

Resolved, That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st March, 1969, the sum of $1,575,-007,182.08 be granted out of the Consolidated Revenue Fund of Canada.

Motion agreed to.

• (10:30 p.m.)

Mr. McGrath: Mr. Chairman, before the resolution is concurred in, let the record show that if the government has its way this is the last time the house will have an opportunity to have a discussion on a supply vote.

Resolution reported and concurred in.

Mr. Drury thereupon moved for leave to introduce Bill No. C-141, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1969.

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. Faulkner in the chair.

On clause 2—

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, might we have an explanation of this from the President of the Privy Council.

The Chairman: It is my understanding that there is no debate allowed at this point.

Mr. MacInnis: On a point of order, Mr. Chairman; I fully understand that the Prime Minister refuses to allow ministers to come into the house, but I now see a minister refused the opportunity to speak when he rises to his feet.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

Clause 1 agreed to.

Schedules A and B agreed to.

Mr. Bell: Mr. Chairman, while you are contemplating, I should just like to ask whether this is not a new record of western democracy so far as billions of dollars being spent?

An hon. Member: A million a minute.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Some hon. Members: Now.

Mr. Drury moved the third reading of the bill.

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

Mr. Baldwin: On division.

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

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I should like to ask the President of the Privy Council what business we will be conducting tomorrow, and when he proposes to introduce the bill dealing with the anti-dumping legislation?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. We will be dealing with the first two items under the name of the hon. member for Grenville-Carleton, firstly the motion for concurrence in the fourth report of the special committee on procedure of the house. I expect that the bill on anti-dumping will be considered during the course of this week and that the government will be ready for final approval. We will have to consider the matters under the ways and means resolution preceding it. The exact time in that regard will depend on the time it takes to conclude the procedure committee report.

Mr. Speaker, I move that the house do now adjourn.

Motion agreed to and the house adjourned at 10.40 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF AGRICULTURE

1, 5, 10, 12, 15, 17, 20, 25, 30, 35, 40, 45, 50, 51, 55, 60, 65, 70.

COMMUNICATIONS

1, 5, 10, 15, L1.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

1, 5, 10, 15, 20, 25.

DEPARTMENT OF ENERGY, MINES AND RESOURCES

1, 5, 15, 20, 25, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, L5, L10, L15, L20.

DEPARTMENT OF EXTERNAL AFFAIRS

1, 10, 15, 30, 35, 40, L25.

DEPARTMENT OF FINANCE

1, 3, 5, 10, 15, 25, 30, 32, 35, 45, 55, L28, L29.

GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS

5a.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

1, 5, 10, 20, 25, 33, 34, 35, 40, L35, L40, L45, L50, L55, L60, L65, L70.

DEPARTMENT OF INDUSTRY AND TRADE AND COMMERCE

20, 25, 30, 35, 40.

DEPARTMENT OF JUSTICE

1.

DEPARTMENT OF LEGISLATURE

1, 5, 10, 15, 20, 25.

DEPARTMENT OF MANPOWER AND IMMIGRATION

1, 5, 10, 15, 20, 25, 30.

DEPARTMENT OF NATIONAL DEFENCE

1, 5, 7, 10, 12, 15, 20, 25, 30, 35, 45, 48, 50, 55.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

1, 5, 6, 8, 9, 10, 15, 17, 20, 25, 30, 35, 40, 41, 45, 50, 55.

DEPARTMENT OF NATIONAL REVENUE

1, 5, 10.

Items Passed

DEPARTMENT OF PUBLIC WORKS

1, 5, 10, 15, 20, 25, 30, 35, 40, 50, 55.

DEPARTMENT OF SECRETARY OF STATE

1, 2, 5, 10, 25, 30, 40, 45, 48, 50, 55, 60, 65, 70, 75, 80, 85, L100.

DEPARTMENT OF SOLICITOR GENERAL

1, 5, 10, 15, 20.

SUPPLY AND SERVICES

40.

DEPARTMENT OF TRANSPORT

1, 3, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, L105, L115, L120, L125.

DEPARTMENT OF TREASURY BOARD

15, 20, 25, 30.

DEPARTMENT OF VETERANS AFFAIRS

1, 5, 10, 15, 20, 25, 30, 35, 38, 40, 45.

APPENDIX

AIR CANADA—PRESS RELEASE RESPECTING WINNIPEG OVERHAUL BASE

Paul T. Hellyer, Minister of Transport announced today the government of Canada's proposal for maintaining repair and overhaul facilities in Winnipeg and developing additional aero-space manufacturing activity in Manitoba.

These plans include the retention of Viscount overhaul work, further maintenance work from other companies, and new work in building and assembling parts for new jet aircraft.

Following serious consideration of the representations made by the air policy committee of Manitoba, the government of Canada agreed that the people of Manitoba and the Winnipeg employees of Air Canada should be protected against the consequences arising from the Air Canada decision of several years ago to establish consolidated maintenance facilities in Montreal.

The government has therefore authorized Air Canada to commence negotiations with two large Canadian firms to enable one of them to undertake continued operation of the overhaul base in Winnipeg. Such negotiations will involve protection of the interests of present employees, maintenance of the present level of work, and provision for further expansion.

The two companies, Northwest Industries Ltd. and Aircraft Industries of Canada Ltd., have each submitted plans for major development of the Winnipeg overhaul facilities. Activity at the base will include present Viscount maintenance, additional Air Canada work, substantial repair and overhaul work from Lockheed California, repair of National Defence aircraft, and maintenance of other commercial aircraft. In addition, the Lockheed Aircraft Corporation has undertaken, as a result of purchases by Air Canada and the initiative of the federal government, to place substantial manufacturing and repair work with Manitoba firms. The combination of these specific commitments can produce in Manitoba a major centre of aero-space activity.

It is expected that negotiations with these companies will require several weeks. During this time the government of Canada has agreed to reconstruct the working party, composed of representatives of the government of Canada, the government of Manitoba and Air Canada to review all facts and considerations upon which the proposal has been based.

In announcing its proposal, the government of Canada has fulfilled the commitment made by former Prime Minister Lester B. Pearson, reiterated last year by the present Minister of Transport that...“the base will continue to be used for the overhaul of Viscount aircraft as long as these aircraft are in service” and ...“to ensure that other aircraft work is available in Winnipeg so that the eventual withdrawal of Viscounts is at least balanced by new activities...”

The government of Canada believes that through the co-operation of the people and government of Manitoba this proposal will permit Winnipeg to look forward to continued prominence as a major centre in the rapidly expanding aircraft industry.

HOUSE OF COMMONS

Tuesday, December 10, 1968

The house met at 2.30 p.m.

PROCEDURE

CONSIDERATION OF COMMITTEE REPORT—RULING BY MR. SPEAKER

Mr. Speaker: The hon. member for St. John's East (Mr. McGrath) has given notice of a question of privilege. Before hearing his question perhaps I might be allowed at this moment to give the result of the work I have done, with the advice of the senior officers of the table, in relation to the point raised yesterday by the hon. member for Winnipeg North Centre (Mr. Knowles).

In a very learned presentation the hon. member suggested yesterday that the committee's fourth report should be considered in a committee of the whole rather than by a motion to concur therein with the Speaker in the chair. The member quoted a number of precedents going back to confederation which he submitted in support of his view that the report presented by the hon. member for Grenville-Carleton (Mr. Blair) should be referred to the committee of the whole.

Since yesterday, as I have noted, a review has been made of all instances when rules changes were proposed for the consideration of the House of Commons, beginning with and including the enactment of the first set of rules in 1867 but excluding the motions now before the house. There have been 29 such occasions. Many of these proposals, of course, were concerned with minor changes only, but some of the amendments which could be considered as substantial at least at the time they were proposed, were in fact debated with the Speaker in the chair. They were not considered in a committee of the whole.

For example, the 1952 amendments dealt with hours of adjournment, time of meeting and the consideration of private members' business. In that case the report of the special committee was considered by a motion to concur in the committee report; there was no reference to the committee of the whole.

The hon. member for Winnipeg North Centre mentioned the rules changes in 1960-61 and in 1962. These alterations, I submit, were not inconsequential. The rules of procedure were amended, for instance, to reduce the length of speeches when private members' business was being considered. The length of the address and budget debates was reduced by two days in each case, a new procedure on questions was adopted, and private members' business was reorganized.

In 1960-61 and in 1962 all these changes were effected by way of concurrence in the report of a special committee. The proposals were not considered in committee of the whole. In all those cases the house itself, with the Speaker in the chair, debated the committee report. It will thus be seen that while most of the major revisions of house rules were considered in committees of the whole, as was quite correctly explained by the hon. member for Winnipeg North Centre, on a number of other occasions there was in fact no provision made for debate in committee of the whole.

This leads us to the view expressed by the President of the Privy Council (Mr. Macdonald) that rule changes can be dealt with procedurally in one of two ways. The minister has suggested that either procedure has been acceptable to hon. members in the past in changing the standing orders of the house. This opinion is borne out particularly by more recent precedents, and especially by those of 1952, 1960-61 and 1962.

It may also be relevant to remind hon. members that in most cases when major revisions were proposed, these were considered first by a special committee chaired by the Speaker, as, for example, in 1867, 1876, 1927 and 1955. In the case now before us the Speaker did not participate in the special committee.

I should add that there must be serious doubt whether the Speaker has the authority to take the action suggested by the hon. member for Winnipeg North Centre. After all, the Speaker is guided and bound by existing rules, precedents and practice; he cannot arrogate to himself powers which the house itself has never placed in him. The hon. member referred to the flag debate when Mr. Speaker Macnaughton agreed to divide the question then before the house. That decision,

Ruling by Mr. Speaker

however, was based on precedents and citations of Canadian and British authors, and specifically recognize the authority of the Speaker to divide a motion. There appears to be no precedent in Canadian parliamentary practice to support the proposition that the Speaker is at liberty to decree, on his own initiative, that a motion will be considered in committee of the whole rather than by the house, or by the house rather than by the committee.

The hon. member for Winnipeg North Centre has submitted that the Speaker would have authority to direct that the proposed procedural changes be studied in committee of the whole, by virtue of standing order 50, which reads as follows:

Whenever Mr. Speaker is of opinion that a motion offered to the house is contrary to the rules and privileges of parliament, he shall apprise the house thereof immediately, before putting the question thereon, and quote the standing order or authority applicable to the case.

I would not think it could be argued reasonably that the motion to be proposed by the hon. member for Grenville-Carleton is contrary to the rules of parliament. Is it contrary to the privileges of parliament? The hon. member for Winnipeg North Centre contends that it is and that the procedure now contemplated would adversely affect the privileges of hon. members.

The question arises as to whether hon. members would have greater opportunity to debate and amend the report in a committee of the whole. The scope for debate and amendment, in my view—and I suggest this to hon. members—is as great with the Speaker in the chair as it would be in committee of the whole. There is no limit to the number of amendments that can be proposed at this stage. Each individual proposition may be the subject of an amendment by way of a direction to the special committee. Hon. members may wish to refer to citation 221 of Beauchesne's fourth edition which refers to permissive instructions and mandatory instructions. Citation 221 (2) reads as follows:

• (2:40 p.m.)

The object of mandatory instructions is to define the course of action which the committee must follow.

In view of this it seems to me the privileges of hon. members would not be diminished by conducting the debate with the Speaker in the chair.

My conclusion therefore is that the privileges of parliament are not affected in a way which would justify the Chair's intervention on the basis of standing order 50.

[Mr. Speaker.]

PRIVILEGE

MR. MCGRATH—OMISSION OF RESOLUTION FROM TRANSPORT COMMITTEE REPORT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege affecting the rights and privileges of every member of the house. In so doing I refer to the second report of the standing committee on transport and communications which was presented to the house on Tuesday, December 3, but in relation to which there has been no motion for concurrence. On December 3 the then chairman of the standing committee, the hon. member for Manicouagan (Mr. Blouin), introduced under routine proceedings a notice of motion that he would move concurrence in the report on Thursday next, which would have been December 5. To date there has been no such motion for concurrence.

My question of privilege relates more particularly to the fact that parliament has before it a document, the report of the committee on transport and communications, and it is my understanding that such report must constitute an accurate reflection of what took place in the committee and must at the very least record the various motions and resolutions forming part of the minutes of proceedings. The report now before the house does not contain the resolution moved by myself and adopted by the committee on Thursday, November 28. On Friday, December 6, the standing committee met and had as the first item on the agenda the motion moved by the hon. member for Notre-Dame-de-Grace, which reads as follows:

Resolved: That the resolution passed at the meeting of the standing committee on transport and communications held on Thursday, November 28, 1968, be now rescinded.

I might point out that this motion has not been voted on by the committee. I would point out for your information, sir, and for the information of the house, that the motion was an important one relating to the visit of the committee to the Atlantic provinces, authority for which is requested in the committee's second report. My motion called for deferment of any action by the C.N.R. in curtailing rail passenger service in Newfoundland until such time as the committee had an opportunity to visit Newfoundland with a view to examining the situation at first hand. I might point out that the matter is one of some urgency since the decision to phase out rail passenger service in Newfoundland has gone into effect as of December 2.

My question of privilege is based on the fact that the resolution adopted by the committee on November 28 was, in my view, deliberately omitted from its report to the house on November 29; that it constitutes an important part of the committee's recommendation to visit the Atlantic provinces, and thereby infringes upon the rights and privileges of myself and the other members of that committee who by majority vote moved its adoption.

I therefore move:

That the second report of the standing committee on transport and communications be referred to the standing committee on privileges and elections to determine the reason for the omission of the resolution adopted by the committee on November 28 from the second report of the committee presented to the house on November 29, and which reads as follows:

"Resolved: That the Canadian Transport Commission be requested to postpone the implementation of its decision to abandon railway service in Newfoundland until such a time as the committee travel to Newfoundland to study the transportation problems of the Atlantic provinces."

Mr. Speaker: As hon. members know, the Chair has to decide in circumstances such as these whether there is a prima facie case of privilege. I would appreciate hearing from hon. members on that point to facilitate the Chair in the making of a ruling in due course.

Mr. Eldon M. Woolliams (Calgary North): First of all, Mr. Speaker, I want to endorse the remarks made by the hon. member for St. John's East (Mr. McGrath) and to commend the very able and succinct manner in which he presented his question of privilege. Unlike some questions of privilege, this one had attached to it a motion relating to the fact that a resolution adopted by the standing committee on transport and communications with reference to Newfoundland railway service was not included in the report of the standing committee. The hon. member has moved, therefore, that the report of the standing committee on transport and communications be referred to the committee on privileges and elections.

Now, I think the first question to ask and answer, in accordance with your direction, Mr. Speaker, is why the hon. member for St. John's East wants to have these facts examined in the committee on privileges and elections. He wants to ascertain why this motion which was passed in one committee, namely the committee on transport and communications, should have been omitted from the report. There seems to be some suggestion, and I say this without any reservation whatever, that there was a little hanky-panky. We cannot come to a definite conclusion on this, however, without evidence. The only way we can determine whether or not there has been hanky-panky so far as this committee is concerned, the chairman of which was a government member and which was controlled by a government majority, is to get the people we believe to be directly concerned with the matter before a committee and examine them under oath about this omission from the committee report.

As Your Honour knows, so I do not need to repeat this, once a matter has been dealt with in one session, or dealt with in a committee, that ends the matter. You will recall our argument in relation to the Crowsnest Pass freight rates. When the section of the bill dealing with those rates was defeated in committee of the whole, the then minister of transport moved another amendment relating to what was called statutory rates. At that time we took the position that they were trying to take a second kick at the cat. We say that the facts of that case are on all fours with the facts of this case. If one committee, Your Honour, has the right to rescind a motion which was carried in that standing committee, then every standing committee of the House of Commons is a farce.

Some hon. Members: Hear, hear.

Mr. Woolliams: The question of privilege, sir, relates to the fact that we want to find out why the Liberals tried to pack a meeting to rescind this motion. Indeed, they would have done so if every Tory had not been present, together with the members of other parties, to make sure they could not get away with that hanky-panky they were trying to perform.

Now is a good time, perhaps, to mention the fact that this government is trying to transfer to the standing committees consideration of expenditures involving $11 billion, and to have them approved. Now, is this not a true question of privilege? If such committees get that authority and can be controlled by a Liberal chairman and a Liberal majority, and if when the Liberals have been absent they can then meet in a quiet little room to rescind a motion, what will happen to the expenditures and taxation problems of this nation? We cannot involve people in certain places who have given us certain information but I can say to you, as I stand in my place as a member of parliament, we believe there

has been hanky-panky so far as this committee is concerned. I cannot speak for other committees. The only way we can find out who the culprits are in relation to this committee is to place them before another committee. The only regret I have is that this other committee will be chaired by a Liberal, and will have a Liberal majority.

• (2:50 p.m.)

Therefore, Mr. Speaker, I would ask you to give this point of privilege serious consideration, because it does go to the very root of democracy. The present situation constitutes a dictatorial act that is dangerous to democracy and will destroy democracy. Those are the three "d's" that we want to investigate as far as this question of privilege is concerned. I support and incorporate in my argument everything the distinguished member has said, and I hope, sir, you will give this matter your most serious consideration; because this institution will fall to pieces if this is the way our committee structure is going to be run, particularly when the government hopes to turn over the responsibility for $11 billion to this kind of kangaroo court.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I rise briefly to support the motion moved by the hon. member for St. John's East. I should like to point out to Your Honour one or two matters that have not been dealt with already, and which I think are very pertinent to the point at issue.

First of all, a report presented by the standing committee on transport and communications was tabled in this house and the usual procedure was not followed, in that concurrence of that report was not asked for. Instead this report of the committee, or the alleged report, still lies on the table of the house, and this in itself is a very strange state of affairs from which I think any reasonable persons could draw their own conclusions.

Second, I have been a member of the standing committee on transport and communications since this session of parliament started, and to the best of my knowledge attended all its meetings during the period that the matter contained in the report has been dealt with. It is quite possible that I might have missed a committee meeting because so many committee meetings were called without notice and unexpectedly, without any warning being given the members of the committee, but I repeat that to the best of my knowledge and belief I have not missed any meetings.

At no time to my knowledge was this alleged report that has been tabled in the house ever presented to the committee for approval or discussion, or as far as I know to the steering committee either. This seems a very strange state of affairs. I should like to know exactly how this report was drawn up, who drew it up, and what authority there was for tabling it in this house. I have been a member of committees of this house for nearly 15 years but have never before seen a situation where committee reports, which are normally drafted by the chairman and the steering committee, were not presented to the committee for approval before being tabled in the house.

In my opinion there is a prima facie case here for referring this particular report, which still lies on the table of this house, to the standing committee on privileges and elections in order to ascertain exactly how the report was put before the house, who drafted it, and what if any omissions were made in the report.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in urging that Your Honour grant this motion for referral to the committee on privileges and elections, I must first of all state that although I have not been in this institution of confusion too many months I am finding so many things that in my opinion are against the grain of democracy that it makes me wonder in which direction we are going in this regard.

The point I would certainly like to have cleared up and which I think can be cleared up if the matter is referred to the committee on privileges and elections is what purpose a committee really performs, and what its function is in this institution.

I bring this up, Mr. Speaker, because it has always been my opinion that matters referred to a committee and referred back to this house, or any action taken by the committee, should be dealt with. I respectfully suggest that the resolution in question before the transport committee was adopted by a majority vote. I thought at that time, and I was then serving as a temporary replacement for the hon. member for Selkirk (Mr. Schreyer) on the steering committee, that we would be consulted with regard to the report to be brought into the house. We were not consulted. That report did not include everything that had been passed by the transport committee. I was disturbed to find that the report

did not include that one portion referred to by the hon. member.

I therefore ask Your Honour to give serious consideration to referring this matter to the standing committee on privileges and elections in order that we may clear up this particular matter once and for all.

I plead with Your Honour to do this. If committees are to perform useful functions—and no doubt hon. members are well aware of the debate that is to come before us—then committees must be given authority to pass resolutions and motions that will be recognized by this house. If they are not recognized by this house and voted on by members of this house, there is no useful purpose in having any committees under our system of government.

Mr. Albenbrack: This is the just society.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I merely wish to say a few words in support of the motion which has just been moved to refer the second report of the committee on transport and communications to be committee on privileges and elections.

I was very much surprised, on November 28 last, to hear the chairman of that committee making an awkward attempt to explain on TV what happened during the committee meeting.

Mr. Speaker, it will remembered that, on that day, the house adjourned in order to allow a larger number of members to participate in the proceedings of the committees, and if that motion was adopted in the transport and communications committee it is due to the absence of the members of the party in power. To my mind, that proves the weakness of the party in power with regard to committee work, and that is one of the reasons why this report should be referred to the committee on privileges and elections for a more thorough study of the matter.

• (3:00 p.m.)

A little later on today, we will probably consider the special committee report on the procedure of the house, and I note that this report intends to give a greater responsibility to the committees of the house.

Therefore, Mr. Speaker, if such things are allowed to happen in committees, if members of committees who are members of the opposition, are given so little consideration I am wondering why we should give greater responsibility to these committees for consideration of departmental estimates or bills that are referred to them.

For these reasons, Mr. Speaker, I support the motion made by the hon. member.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I think the question before Your Honour is a very simple one. The allegation is that, at best, there has been a misrepresentation of what has happened in this committee. A committee report must reflect the true state of affairs with regard to resolutions which have been carried by that committee. If here we have, say, an innocent omission, that would be an innocent misrepresentation. On the other hand it has been alleged, and Your Honour must take cognizance of this, that there has been a deliberate omission of a resolution carried in the committee. Under the circumstances I submit it is not for Your Honour to decide whether there has been either a deliberate misrepresentation or an innocent misrepresentation, but whether there is a prima facie case of an abuse of the privileges of hon. members of this house.

After all, it is a report of a committee of this house which had been charged with the examination of a certain subject matter. If the committee report is a misrepresentation, innocent or otherwise, of the conclusions of that committee then there must be an examination, because there has been a breach of the privileges of this house.

I put it to Your Honour that this is the limited question you have to decide. With the greatest respect, I suggest to Your Honour that the motion is well founded.

Mr. David Lewis (York South): I would have thought that by now the Prime Minister or someone on behalf of the government would have made your task easier, Mr. Speaker, by agreeing to the motion. If there was nothing wrong in what was done, then the government members of the committee on privileges and elections would be able to show that this was so and the matter could be cleared up.

Mr. McIlraith: No. There would then have to be the resignation of the member making the charge.

Some hon. Members: Oh, oh.

Mr. Lewis: If there is something wrong, the thing has been done and I would think the

Prime Minister would be particularly concerned about this. Why do I hold this view, and why do I take a few moments of the time of the house to urge Your Honour to see a prima facie case of privilege? I do so in the context of the fact that we are about to consider changes in the rules, one of the most important parts of which consists of giving more work and more authority to the standing committees of this house.

I was saying we were about to change the rules so as to give more authority and more work to committees of this house. If the allegations are correct—and I suggest, Mr. Speaker, that you cannot know at this point—you have to accept them as stated, and there has been no contradiction of them.

If it is still correct that a report of a standing committee can be written by a chairman alone, or by a chairman and some of his buddies; if it does not need to go to the steering committee, then those who say our standing committee procedure will be a farce are thoroughly correct.

Some hon. Members: Hear, hear.

Mr. Lewis: One then gets the suspicion that one of the objectives of putting estimates in the hands of the committees is, in the minds of some persons, precisely to achieve that kind of purpose.

Mr. McIlraith: Order.

Mr. Lewis: The Solicitor General may call "order" if he likes, but I suggest to Your Honour that in the context of the duties we want to place on these committees it becomes terribly important that the kind of misbehaviour alleged against the chairman of the committee should not be permitted to go unchallenged, without action being taken by this house.

This is why I suggest that Your Honour is deciding in this case not merely an isolated instance but something which is important as a precedent for the future work of this parliament. As to the incident itself, I agree that what you have before you is a simple allegation of misconduct by an officer of a standing committee of this house, an allegation that a report tabled in this house was an incorrect report, an incomplete report which did not represent the decision of the committee. I can hardly see anything which is more clearly an abuse of the privileges of the house than that.

Mr. Lundrigan: On the same question of privilege, may I just say "ditto".

Some hon. Members: Oh, oh.

[Mr. Lewis.]

Hon. D. S. Macdonald (President of the Privy Council): I rise only to deal with some of the points made by the hon. member for York South. First, he implied there was something sinister about the fact that at this point the government has not indicated whether the motion would be accepted by it. Perhaps I can remind the hon. member that at this stage we are faced with the question of deciding whether there is a prima facie question of privileges, not whether the motion is acceptable. When that has been determined we will be prepared to make a decision in favour of a reference.

It seems to me that allegations of the sort the hon. member for York South has made against the chairman of the committee, who is regrettably absent today, are the kind of thing which should be considered by the standing committee on privileges and elections, and for my part I would be quite prepared to support this motion. But I would point out to the hon. member that there is a tradition in this house that where serious allegations such as the hon. member has made against the chairman of the committee are discovered to be unfounded, it has been the tradition in the past that the hon. member's seat goes with them.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I suggest both to the hon. member and to others in this house—and I say this on behalf of the absent member who is not here to defend himself—

Mr. Bell: Talk about tradition, when last night we passed billions of dollars in estimates in five minutes.

Mr. Macdonald (Rosedale): I suggest it is not proper to suggest there has been some kind of false or fraudulent conduct on the part of the hon. member who is absent, and I for one would be delighted to see the allegations made by the hon. member for York South and others disproved by the committee.

Mr. Lewis: May I ask the President of the Privy Council a simple question. If there is unanimous agreement that this be considered a question of privilege, Mr. Speaker might be able to deal with it without the necessity of this debate.

Mr. Macdonald (Rosedale): May I say to the hon. member that Mr. Speaker has the right and the responsibility to decide questions like this, and the hon. member for York South should not seek to arrogate this right to himself.

Right Hon. J. G. Diefenbaker (Prince Albert): It is well to go back and read what happened on December 6 when this matter was brought before the house by my hon. friend from St. John's East. As reported at page 3587 the question was asked as follows:

> Would the house leader advise us what is the position of the resolution which was passed by the committee dealing with the decision of the Canadian Transport Commission allowing the Canadian National to abandon rail passenger service in Newfoundland, which was not incorporated in the first report of the committee to which I referred in my original question?

The answer given by the President of the Privy Council is most revealing:

> I have not studied this. I am advised the resolution was passed but that it was out of order.

Some hon. Members: Shame.

• (3:10 p.m.)

Mr. Diefenbaker: I can understand the overheated nature of the hon. gentleman's argument a moment ago, because after all conscience does have its effect, even on ministers. In other words, sir, there is the admission by the minister that a resolution was passed, and he is now endeavouring to raise a smokescreen concerning the unfortunate illness of the chairman of the committee. He himself took the responsibility, in his answer in the house, to admit that the resolution had been passed, but said he was advised it was illegal. Sir, if this be not a privilege of parliament then we might as well close down here.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The government goes from stand to stand as it tramples on the rights of the house. It says in effect, "Let us be efficient and have an expanded committee system". I am one of those who through the years have not supported that stand. I believe this committee system is the American congressional plan and will not work under our system of government.

We are to have committees now. This is the essence of the proposed change in the rules, but even before the matter has come before the house we have the situation of an alteration of a resolution clearly defined by the minister and which he said was out of order. What business has he to be an appellate court over a committee of the House of Commons?

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, if this be not a question of privilege we might just as well close down the committee, for each time the government finds itself with its points down or its members absent and loses a resolution it can say "It wasn't legal; it was unlawful." This is a repeat performance of what happened in February, 1967, when the government was defeated and said in effect, "Oh, we are not defeated. We will give you another chance to say that we are here properly." And they got that chance.

This is a denial of the rights of every member of the house, and I am surprised that no member of the government has stood up and agreed to the necessity of an investigation taking place. No doubt there will be red faces if it does take place, because the minister who has just spoken admitted in the house that the resolution had been passed. So there is no question about that; it was passed. Sir, we have to rely on Your Honour to protect our rights which are being trampelled on day by day.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): Mr. Speaker—

Mr. Speaker: The minister has already taken part in this debate.

An hon. Member: He wants to break another rule.

Mr. Speaker: The minister cannot speak a second time except with the consent of the house—

Some hon. Members: No.

Mr. Speaker: —or unless he rises on a point of order or on a question of privilege.

Mr. Macdonald (Rosedale): Well, Mr. Speaker, the regrettable thing is that the right hon. member for Prince Albert during—

Mr. Speaker: Order, please. The minister knows the rule. He can speak a second time only if he has the consent of the house or if he seeks the floor on a point of order or a question of privilege, and I have not heard that.

Mr. Macdonald (Rosedale): Mr. Speaker, the only point I would make, and I am raising it by way of privilege to speak a second time, is that my remarks have been misconstrued by the right hon. member.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): I refer to the fact that as the right hon. member for Prince

Albert read out, I made it perfectly clear on that occasion that I had no direct knowledge of the events that took place. As a matter of fact the hon. member for St. John's East at that time took exception to my remarks and I had to indicate—

Mr. Diefenbaker: Read on. It is just as well, because I missed that next section.

Mr. Macdonald (Rosedale): Perhaps I could be heard, Mr. Speaker.

Mr. Speaker: Order. The minister should be allowed to speak. He has claimed the right to speak a second time under a standing order which provides clearly that an hon. member can speak a second time if he claims his words have been misinterpreted. Standing order 37 is the one in question, if hon. members will consult it.

Mr. Macdonald (Rosedale): Mr. Speaker, I made it perfectly clear as recorded at pages 3587 and 3588 of *Hansard* that I had no direct knowledge of this. I was recounting advice I had received, and as recorded at page 3588 I indicated that what I did was probably wrong—

Mr. Diefenbaker: Read the next line.

Mr. Speaker: Order. We are getting into a discussion on the substance of the matter. I see that the hon. member for Annapolis Valley would like the floor so I shall recognize him, but I have to indicate to hon. members that I have reached the point where I can give a decision.

Mr. J. P. Nowlan (Annapolis Valley): Thank you, Mr. Speaker. There is only one point I would like to cover which has not been covered and which might affect the deliberations of Your Honour. Not only is a prima facie case supposed to be established, but I think the evidence is abundantly clear here today from what has been said on both sides of the house, in heat and out of heat, that privilege is at stake. The right hon. member for Prince Albert has read part of the record but, more important, we have the statement of an hon. member here today stating as a fact that has not been rejected and challenged, and cannot be rejected and challenged by any hon. member, that this resolution was passed.

Unless committees are to become a charade the privilege we suggest is well established. but there is the other point on which I am afraid Your Honour may be misled, and that is that a question of privilege must be raised at the earliest possible opportunity. Addressing my remarks to that point I would point out that this matter was before the transport committee, and even after the report was tabled an abortive move was made, one day a week afterward, to rescind the resolution, and there were rumblings and moves made thereafter to bring the resolution back before the committee.

I would point out that as a result of the estimates being passed last night in an abundance of dollars, in effect the work of the transport committee expired. It was only after last night, when the work of the committee expired, that the hon. member for St. John's East had the opportunity to raise the question of privilege today. So, Mr. Speaker, you have the question of privilege, and you have it raised at the earliest opportunity, which is today.

Mr. Speaker: The conclusion I have come to after hearing hon. members of the house is that it obviously would be easier to resolve the question now before the house in a standing committee than it might be to resolve it in the House of Commons. My initial reaction was to follow the advice of the hon. member for Calgary North and give the matter serious and protracted consideration, but hon. members have indicated quite clearly, in my view, that there is a prima facie case of privilege and that it is the type of question which might be sent to a committee.

I must say I am worried to some extent about the remedy sought by the motion. I think the committee would have some difficulty in examining the members of another committee, one committee of the house looking into the affairs of another committee. That may cause procedural difficulties at that stage, but that question is not what we are seized with at the present time.

What the Chair has to decide without resolving the question of whether it is a de facto question of privilege is merely to determine whether it is a prima facie case of privilege. I think the hon. member for Annapolis Valley has made a very important point, one which had worried me all along, as to whether this matter had been raised at the first opportunity. In view of the fact that we have reached the end of consideration of the committee's reports probably the question has been raised at the first opportunity, thus disposing of one objection which I had in the back of my mind.

I do have to reach the conclusion that there is a prima facie case of privilege and, if the

house decides the motion should be carried, the matter would be referred to a committee as proposed by the hon. member for St. John's East. I would therefore put the motion of the hon. member for St. John's East, as follows:

Mr. McGrath seconded by the hon. member for Calgary North, moves that the second report of the standing committee on transport and communications be referred to the standing committee on privileges and elections to determine the reason for the omission of the resolution adopted by the committee on November 28th, from the second report of the committee presented to the house on November 29th, and which reads as follows:

"Resolved:—That the Canadian Transport Commission be requested to postpone the implementation of its decision to abandon railway service in Newfoundland until such a time as the committee travel to Newfoundland to study the transportation problems of the Atlantic provinces."

Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

• (3:20 p.m.)

BROADCASTING

INQUIRY AS TO REQUESTS FOR TAPES OF NEWS BROADCASTS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, on Thursday last the hon. member for Halifax-East Hants inquired whether any member of the task force on government information had requested the Canadian Radio-Television Commission to ask Canadian radio stations for tapes of news broadcasts. I stated that I would inquire, and on the following day I informed the house that the answer to this question was no.

While the answer given to the house was technically correct, in that no member of the task force made any such request, I have since learned that a researcher employed by the task force did initiate such a request.

The task force, as hon. members know, is seeking to assess the effectiveness of government information services. To assist it in doing so the task force studies the manner in which information about government activities reaches the public. Information printed in the daily and periodical press is collected through the employment of clipping services; information broadcast by radio stations is equally important but requires a different technique of collection. The Canadian Radio-Television Commission was approached in this respect for its technical assistance. What was being studied was not the operation of any radio station but only the transmission of news events. A technical supervisor at C.R.T.C. undertook to request ten radio stations to provide tapes. This request was made at the end of November.

I felt it necessary, Mr. Speaker, to enlarge to this extent on my previous answer, to assure the house that there is no attempt on the part of the government or on the part of the task force to withhold information in this respect, and I apologize should my brief answer of Friday have been regarded as in any sense complete.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, since I was the member who raised this question I should like to thank the right hon. Prime Minister for his more complete explanation today. I wish now to simply say for the record that it is a matter of regret that the officials of either one or other body who advise him gave him incorrect advice in the first place.

BUSINESS OF THE HOUSE

LATER CONSIDERATION OF MOTION FOR CONCURRENCE IN COMMITTEE REPORT

On the order: Motions:

December 6, 1968—Mr. Blair (Chairman of the special committee on procedure of the house)

That the fourth report of the special committee on procedure of the house presented to the house on Friday, December 6, 1968, be concurred in.

Mr. G. W. Baldwin (Peace River): I rise on a point of order, Mr. Speaker. I am wondering whether the house will agree at this stage, before the hon. member proceeds with his motion for concurrence, that this motion be taken as the first order of government business in order that the ordinary routine proceedings can be followed. I believe hon. members and the government might be prepared to accept this suggestion.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I must consider this in view of standing order 43(2), and would accept this suggestion with the understanding that the provisions of this standing order would apply, having the effect to transfer this as the first item of government business, giving it priority thereafter. Subject to that I think this suggestion would be acceptable.

Mr. Speaker: Is that agreed?

Mr. Baldwin: Agreed.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

REPORTED ANNOUNCEMENT BY STATE SECRETARY OF CONFERENCE ON ECONOMIC DISPARITY

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the Secretary of State was announcing government policy in Winnipeg when he said that in January or February a special federal-provincial conference will be held on economic disparity.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have not seen the statement, and I must confess I am not aware of this timetable. I imagine the minister may have been considering a meeting at the official or ministerial level rather than a full-blown federal-provincial conference.

Mr. Stanfield: Is it possible that the government of Canada, as the Secretary of State said in Winnipeg, considers that the Canadian constitution and economic disparity have nothing in common and that economic disparity and constitutional equity is secondary and must be preceded by linguistic ability? Does that represent government policy?

Mr. Trudeau: Mr. Speaker, let me say again that I must see the statement to assure myself that those are exactly the words of the Secretary of State. Government policy on this has been stated many times. There is a danger to the unity of this country on a language basis, but there is also a danger on the basis of economic disparity, and it should be the intent of any federal government to seek justice in both fields.

Mr. Stanfield: Would the Prime Minister confer with the Secretary of State and perhaps make a statement to the house that is acceptable to the minister and the right hon. gentleman as to what is the policy of the government?

Mr. Trudeau: Mr. Speaker, I often confer with the Secretary of State, but I have made this statement now without conferring with him as of this date. The statement is that both are extremely important; the correction of regional disparity and the correction of linguistic inequities.

Mr. David MacDonald (Egmont): Mr. Speaker, could the Prime Minister inform the house whether such a conference, if it does occur, will take place finally in respect of regional development, and whether some consideration will be given to provincial and other important bodies such as municipalities participating in such a conference?

Mr. Trudeau: In answer to the first part of the question I must repeat that as far as I am concerned I have no knowledge of the minister having made that particular statement. If he feels there should be a federal-provincial conference at one level or another, and if this is agreeable to the provinces, it certainly would be acceptable to this government.

Mr. MacDonald (Egmont): Is the Prime Minister suggesting that there is a possibility such a conference would not in fact be headed by the present minister of regional development rather than the Secretary of State?

CONSUMER AFFAIRS

APPLICATION FOR RATE INCREASES BY BELL TELEPHONE

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Postmaster General, who is scheduled to head up a department of communications, asking him whether in view of the record of profits by the Bell Telephone Company, which has in some years exceeded the permissive level set up by an appropriate authority, he is giving consideration to steps to oppose the application by the Bell Telephone Company for an increase in rates.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the Canadian Transport Commission is a court of record set up by the government and proposes to investigate the justification of such claims.

Mr. Lewis: Mr. Speaker, in view of the fact that the Canadian Transport Commission hears evidence and argument and, does review with various levels of government this evidence and argument, I should like to ask specifically whether the minister has given consideration to taking some appropriate steps to make sure that the Canadian Transport Commission is not only effective, but effective in the public interest.

Mr. Kierans: Mr. Speaker, the hon. member may be assured that the Postmaster General will follow the hearings with close attention. What action he may take is a question which he obviously cannot resolve at the present time.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

FEDERAL ASSISTANCE TO PROVINCES TO MEET EDUCATIONAL COSTS

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, yesterday in an answer to my question, the right honourable Prime Minister answered and I quote:

> We are not among those who hold blindly to views of the past.

Could he tell me if taking into account the recommendations contained in the Aird Report of 1927 which recognizes to the provinces the exclusive legislative right in educational matters is to hold blindly to views of the past?

Mr. Speaker: This question is argumentive and I do not think that, as put, it is in order.

[*English*]

OIL

STUDY OF DEVELOPMENTS IN ALASKA AND NORTHERN CANADA

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Prime Minister which I intend to phrase in two parts. Will he be meeting within the next few days with Premier Manning of the province of Alberta in reference to setting up a special committee to study the oil industry in view of developments taking place in Alaska and the north; and has he agreed to have or has he had any discussions with Dr. Howland, chairman of the National Energy Board, in reference to such a study, as he recommended to a committee of this house?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will have the pleasure of meeting with Mr. Manning tomorrow morning, as will some of my colleagues. I suppose he will want to raise this matter, but I have not had a discussion with the chairman as requested. I thank the hon. member for giving me an idea as to what the subject matter of that discussion might be.

Mr. Woolliams: I wonder whether I might ask one supplementary question, Mr. Speaker. I do not say this by way of criticism. Dr. Howland mentioned that he was short of staff and short of money to make a study. Would the Prime Minister consider—

Mr. Speaker: Order, please. Would the hon. member ask a question?

Inquiries of the Ministry

Mr. Woolliams: Yes, Mr. Speaker. But, with the greatest respect, I have to preface my question with these remarks so that the Prime Minister will understand it. Dr. Howland mentioned that he was short of money. I wonder whether the Prime Minister would consider discussing this matter with his colleagues. I refer to allocating money for this very important study which will be so important to the national revenue of Canada.

Mr. Trudeau: I will consider discussing it with my colleagues, yes, Mr. Speaker.

HUMAN RIGHTS

ANNIVERSARY OF UNITED NATIONS UNIVERSAL DECLARATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that today is the 20th anniversary of the United Nations universal declaration of human rights, I ask the Prime Minister a two fold question. First, is the government planning any statement on or commemoration of this very important day? Second, in view of the fact that Canada has given such full and complete endorsement of this universal declaration, is the government prepared to amend section 6(1) of the Industrial Relations and Disputes Investigation Act so that this act will not be in violation of but consistent with the express provisions and purposes of the United Nations' universal declaration, particularly article 20 (1)?

Mr. Speaker: Order, please. The hon. member is making a speech, and I suggest he should ask a question.

Mr. Thompson (Red Deer): The question has been asked, sir.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for having brought to the attention of the house this very important anniversary. I had not planned to make a statement today. I just want to say that last week there was a conference held in Ottawa, as there were in other places in Canada, and the federal government played a large share in sponsoring them. I myself participated in the name of the government and made statements about the importance of this event, such as suggested by the hon. member. On the second part of the question, we are not thinking of any specific amendment in this context but we are doing, I think, something much more important. We have set aside this year, the 20th

anniversary of the declaration of human rights, as a year when we raised with the provinces at the federal-provincial conference in February the matter of putting into the constitution a charter of human liberties. We will be discussing it also next week. We hope the people of Canada will support us, and indeed the opposition parties too, in this very important endeavour.

HEALTH AND WELFARE

INQUIRY AS TO IMPROVEMENT IN INDIAN SERVICES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Following the minister's return from his tour of Indian reservations, where he apparently found inadequate health services, is he going to make a statement to the house outlining the proposals he will be suggesting by way of improvements for Indians living on reservations?

Hon. John C. Munro (Minister of National Health and Welfare): I had not planned to do so, Mr. Speaker, but I indicated previously in the house, in answer to questions from several hon. members, that we were reviewing the question of Indian health and were making improvements. I think many hon. members have a general idea what those improvements are.

Mr. Korchinski: A supplementary question, Mr. Speaker. In his statement to the news media the minister indicated that he was going to make some proposals in respect of changes. Would he immediately enlighten the house as to what these proposals may be?

Mr. Speaker: Order, please. The hon. member's first question was quite in order. He asked whether the minister was going to make a statement. I gather that the minister has replied to that question.

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. Does the minister's statement that he is improving the health services for Indians include the proper staffing of the Charles Camsell hospital in Edmonton, which has reached the point where it is non-effective in certain sections?

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): The allegation is there.

[Mr. Trudeau.]

EXTERNAL AFFAIRS

REPRESENTATIONS TO CHINA RESPECTING CONFINEMENT OF JOURNALIST

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Will the government give consideration to making representations to the government of the People's Republic of China in respect of the case of the journalist, Mr. Anthony Grey of Reuters, who has been kept in close confinement, I believe, for a year and five months by the Chinese government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman knows, we do not have diplomatic representation with the People's Republic of China. It is our objective to try to attain a mutual recognition. We are very concerned about the internment of this gentleman. I do not know whether it would help very much if we were to make representations through other channels, but I can assure the house that we share the hon. member's concern about this gentleman and will do everything we can to help.

Mr. Brewin: A supplementary question, Mr. Speaker. Would the Secretary of State for External Affairs consider getting a message by some means to the government of the People's Republic of China saying that this breach of fundamental human rights might damage the future good relations between Canada and that government?

Mr. Sharp: Mr. Speaker—

Mr. Speaker: Order, please. I take it that the minister has noted the hon. member's suggestion.

AIR CANADA

POSSIBLE EFFECT ON SAFETY OF WORK DISPUTE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. Yesterday I directed a question to the Prime Minister concerning hazards to safety owing to the work to rule program being carried out by some members of the staff of Air Canada. The Prime Minister at that time undertook to look into the matter. Since then several instances have been reported to me of aircraft landing and, because of this work to rule program, apparently being unable to discharge passengers at the proper location,

which causes obvious hazards. Has the Prime Minister had an opportunity of looking into this matter? If so, can he inform the house whether all safety precautions are being taken by Air Canada so that the safety and lives of passengers and staff will not be endangered?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am told that the Department of Transport is doing what it can to make sure that, without breaking the law itself and without interfering unduly in problems of labour relations, it has this question under advisement. The minister may have a fuller report to give to the house tomorrow.

INDIAN AFFAIRS

ELECTION OF CHIEF AND COUNCIL OF GARDEN RIVER RESERVE

On the orders of the day:

Mr. Martin P. O'Connell (Scarborough East): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Can the minister tell the house whether he has reached a decision to confirm or otherwise the recent election of the chief and band council of the Garden River Indian reserve in Ontario? I ask this question in view of the representations made last week by the said chief and band council to the minister.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have received of course representations from the chief and the band council, and after consideration of the matter with the Minister of Justice, I have come to the conclusion that I could not recognize the election of the chief and the six councillors who had been elected on that reservation. If there was a misunderstanding, it is due to an error of one of the officials of my department.

[*English*]

POST OFFICE DEPARTMENT

POSSIBLE STAFF REDUCTION FOLLOWING REDUCTION IN DELIVERIES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Postmaster General. Is the department giving consideration to a substantial reduction in the staff of letter carriers as a result of the change to five day delivery?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, as I explained during the debate on the bill, we do not anticipate that there will be any reduction in staff, but that the people who would normally be laid off will be taken care of by the normal growth of the department and also by those who retire. In other words, no people will be laid off because of the five day week.

Mr. Orlikow: A supplementary question, Mr. Speaker. Can I take it that it is not true that discussions are going on between officials of the minister's department and representatives of the union concerned with respect to this very question?

Mr. Kierans: There are always discussions going on between the officials of the department and the leaders of the union. I saw them myself last week about a number of different problems. However, I imagine that such discussions deal with the orderly transition to a five day week in the urban centres after February.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask a supplementary question.

Could the Postmaster General tell us if, in view of his policy to close down post offices, postmasters left without a job will be assured of getting another one in his department?

Hon. Eric W. Kierans (Postmaster General): We are closing down the small suboffices and all the postmasters in such premises already operate a business or hold another job.

[*English*]

Mr. W. B. Nesbitt (Oxford): I have a supplementary question, Mr. Speaker. Is the transition to the five day week, which has been referred to, the cause of the drastic impairment and reduction of satisfactory mail service throughout the country?

Mr. Speaker: Order, please. The question includes allegations which are not acceptable.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I have a supplementary question. The Postmaster General advised members of the house on October 7, I think, that some payment would be made to the rural mail contractors who provided services during the mail strike. Would he now advise the house when these cheques will be paid?

Mr. Kierans: They are going out at this time. We had to prepare a complete accounting of the amount that was owed and therefore had to apply to the Treasury Board to obtain approval for the total amount. This has been obtained and the cheques are going out this week and next week.

NATIONAL DEFENCE

REQUEST FOR STATEMENT ON BASE CONSOLIDATION

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the Minister of National Defence. Is he planning in the near future to make a statement regarding the consolidation of Canadian military bases, a matter which he and his department have been studying recently?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, this matter will have to be considered in cabinet before I can make any statement on the Canadian base posture. The study is concluded within the department and we are now preparing a submission to the cabinet in that respect. Following that I expect I will be able to make some announcements.

Mr. Hees: I have a supplementary question, Mr. Speaker. Would the minister bear in mind the fact that a number of bases have been anxiously awaiting a decision by the government in this regard, and would he do his best to hurry it up?

Mr. Speaker: Order, please.

HEALTH AND WELFARE

STEPS TO OVERCOME SHORTAGE OF MEDICAL PERSONNEL

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the request of the health minister of Ontario that medical schools increase the turnout of physicians, has the minister reached any decision on the virtue of continuing the health services grant for medical complexes beyond 1970?

Mr. Speaker: Order, please. The hon. member is asking the minister to give a statement of policy. I suggest to him that that cannot be done now.

[Mr. MacEwan.]

OLD AGE SECURITY

REQUEST FOR PENSION INCREASE TO EQUAL COST OF LIVING INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Is he now in a position to answer the question I asked yesterday in his absence? If I may summarize it briefly, it is as follows. Will the government give consideration to proposing an amendment to the Old Age Security Act to make it possible for the cost of living increase in pensions to reflect the full amount of the cost of living increase rather than being limited to 2 per cent in any one year?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I indicated previously that this matter was not one of our priorities for this year.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. Since this year is almost finished could this matter be considered in the new year, or could it not at least be included in the review of social welfare matters that the minister's department is undertaking?

Mr. Munro: Mr. Speaker, I believe it is fair to say it is included in the review.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO CONSTRUCTION OF BUILDING

On the orders of the day:

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

Could the hon. minister tell us whether the Treasury Board has approved an expenditure of about $40 million to allow the Canadian Broadcasting Corporation to continue the work on Place Radio-Canada in Montreal?

My question is in two parts, Mr. Speaker. First, has the Treasury Board already approved the expenditure and, if so, what amount has been approved?

Mr. Speaker: Order. The hon. minister could perhaps answer the first part of the question.

Hon. C. M. Drury (President of the Treasury Board): This question is on the agenda of the meeting which will take place later on this week.

[*English*]

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REQUEST FOR STATEMENT OF INTENTION

On the orders of the day:

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Public Works. In view of the commitment given a month ago to make a decision and announce it on the future of the Northumberland strait crossing, has the minister been in contact with the premier of Prince Edward Island to communicate to him the difficulties in arriving at a decision and could he enlighten the house at the same time?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, the answer to the first question is yes, I have been talking to the premier of Prince Edward Island, and at this time the answer to the second part is no.

Mr. MacDonald (Egmont): I have a supplementary question. In view of the nearly one year's consideration that has gone into the resumption or otherwise of this project, can the minister indicate whether or not we will hear on this matter before the end of the year?

Mr. Laing (Vancouver South): I indicated November at one time, and now I hesitate to suggest December.

OIL

CONSIDERATION OF BRIEF OF INDEPENDENT PETROLEUM ASSOCIATION

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I directed a question to the Prime Minister on December 5, as the Minister of Energy, Mines and Resources and his parliamentary secretary were both away ill, asking whether the government had considered the adoption of the proposals of the Independent Petroleum Association of Canada, at which time the right hon. Prime Minister said he would take notice of the question. Can the Prime Minister say whether the government will follow the recommendations and proposals of the I.P.A. of Canada and allow western oil into eastern Canada?

Mr. Speaker: Order, please. I have some doubts whether I should have allowed the question in the first instance. It seems to me the hon. member was asking then and is asking again for a policy statement. But in view of the fact that in a moment of weakness the first question was allowed, the second one may be allowed also.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this is a highly technical question to which, I confess, I do not know the answer. As the hon. member knows, the minister is still in hospital and I do not have an answer to the question from him. I will make sure the department studies the question.

Mr. Paproski: Mr. Speaker, may I ask if the government could look into the resolutions and proposals sent by the I.P.A. of Canada?

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO REPRESENTATION OF NORTHWEST TERRITORIES

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. Will he authorize official representation from the Northwest Territories at the forthcoming federal-provincial conference next week?

Right Hon. P.-E. Trudeau (Prime Minister): I have answered this question several times before, Mr. Speaker. We intend to include as part of the federal delegation some representatives of the Northwest Territories and the Yukon.

Mr. Yewchuk: I have a supplementary question. Will the official representatives of the Northwest Territories at the federal-provincial conference consist of the elected members of the Northwest Territories council?

Mr. Trudeau: The selection of the delegation has not yet been finalized both as regards members from the Northwest Territories and members of the cabinet, but I expect it to be done at this week's cabinet meeting.

Mr. Robert Simpson (Churchill): I have a supplementary question I would like to ask the Prime Minister. Will these representatives be considered as delegates to the conference?

Mr. Trudeau: They will be part of the federal delegation and in that sense they will be delegates. However, as the hon. member knows, the federal government speaks with

one voice at the federal-provincial conferences, as does each province.

Mr. Simpson: Mr. Speaker, I rise on a point of order. I am certainly glad to hear that representatives of the Northwest Territories will be present at the conference. However, when I asked the Prime Minister the other day if representatives of the Indian people would be allowed to attend, he said there would be no delegates other than those representing the provinces and the federal government.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Will he discuss the future of the Yukon with the premier of British Columbia at the provincial conference next week?

ATTENDANCE OF OPPOSITION MEMBERS AS OBSERVERS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. I believe he has already indicated that provision is to be made at the federal-provincial conference next week for observers from the opposition parties. What arrangements are being made, and will we receive information shortly as to what those arrangements are?

Right Hon. P.-E. Trudeau (Prime Minister): I can assure the Leader of the Opposition and the leaders of the other parties, Mr. Speaker, that there will be space available for observers from all parties in this house. The exact number of seats depends on the number of seats which will have to be allotted to provincial government observers. We have not had replies from all of them indicating how many observers they want to bring. The cut-off date will be very soon, so I think we will be in a position to approach the leaders of the parties and tell them how many seats they will have. It will be approximately the same number as last year or perhaps a few less if the provinces ask for more room.

HEALTH AND WELFARE

INQUIRY AS TO TESTS OF ARTIFICIAL SWEETENER

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the recent highly suggestive findings of the U.S. food and drug administration that cyclamate, the artificial sweetener used in many dietetic foods and soft drinks, causes chromosome damage in animals with the danger of cancer, a shortened life span and congenital abnormalities, have any tests of this sweetener been made in Canada and, if not, will the minister ask the food and drug directorate to investigate it?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the food and drug directorate is investigating this matter.

REQUEST FOR STATEMENT ON HEALTH RESOURCE FUND GRANTS

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he would make a statement on motions on the results of his discussions with provincial health ministers and his own senior staff on the future of national health resource funds grants?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not believe the discussions have gone far enough at this early date to enable me to announce anything.

NATIONAL DEFENCE

DATE OF PAYMENT OF RETROACTIVE PAY INCREASES

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wonder whether I could ask the two distinguished gentlemen across the way, the Minister of National Defence and his seatmate, the President of the Treasury Board, whether or not they can now unequivocally indicate to the civilian employees of the Department of National Defence that they will receive their retroactive pay increases?

Mr. Speaker: Order, please. I wonder whether the hon. member is not simply restating a question asked before. Perhaps there is a distinction between this question and the one asked previously, and if there is the minister might reply.

Mr. Forrestall: The question is a restatement, of course, but earlier neither minister

was in a position to answer. I hope they are in a position to do so today.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I think I indicated the other day we were making a real effort to come within the limitation of December 31. I think we can achieve that. There are indications we are going to achieve it. This question is related to one I had the other day about overtime. I should like to add that the people working overtime to achieve this end are going to be compensated not by receiving double time but by receiving leave after the holiday period.

Mr. Forrestall: I might just comment on the minister's remarks and pass along the gratitude—

Mr. Speaker: Order, please.

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF SALT FISH MARKETING BOARD

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I should like to ask the Minister of Fisheries whether he can answer the question I put to his parliamentary secretary yesterday in his absence. Has the government any plans to establish a salt fish marketing board for the Newfoundland and Atlantic fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the desirability of setting up a salt fish development board or marketing board is receiving active consideration in the fisheries department.

Mr. Carter: A supplementary question. Can the minister inform the house who is conducting the study into the feasibility of this project?

Mr. Davis: Departmental officials at the moment.

Mr. James A. McGrath (St. John's East): I have a further supplementary question. Has the minister had a communication today from the Newfoundland Frozen Fish Trade Association, which is meeting in St. John's to take a decision on whether or not they should close down the industry as a result of the inaction of the government?

Mr. Speaker: The hon. member knows it is not sufficient merely to ask whether a communication has been received.

Mr. Lloyd R. Crouse (South Shore): I have a further supplementary question to the one asked by the hon. member for St. John's West. Will the Minister of Fisheries undertake to hold consultations with provincial fisheries ministers and representatives of the salt fish industry in the Atlantic provinces prior to taking any firm stand on the establishment of a salt fish marketing board?

Mr. Davis: Yes, we will continue our consultations, Mr. Speaker.

Mr. Carter: A further supplementary question to the Minister of Fisheries. Can the minister say when the study to which he referred a moment ago with regard to a salt fish marketing board will be completed? If the findings lead to the establishment of such a board, will that board be functioning in time to handle next season's catch?

Mr. Davis: I doubt very much that a board could be set up and functioning in time to handle next season's catch.

BILINGUALISM AND BICULTURALISM

IMPLEMENTATION OF RECOMMENDATIONS IN SECOND COMMISSION REPORT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Prime Minister. I do not know whether he has had time to study the report yet or will be able to answer the question. I was wondering whether the Prime Minister would consider setting up a special federal-provincial committee of ministers and officials to study ways and means of implementing the recommendations contained in the second volume of the B. and B. report?

Right Hon. P.-E. Trudeau (Prime Minister): I have given consideration to that, Mr. Speaker, and I will, if the occasion arises, discuss it at the federal-provincial conference at one time or another. It looks to me, however, that there might be a disposition to use the already existing subcommittee on languages which was set up last February at the federal-provincial conference. The forthcoming meeting may decide to continue using the subcommittee to further the consideration of the second report. However, I will be in the hands of the participants in the conference.

Mr. Lewis: Do I understand, then, that the subject matter of the report or the effect of

the report will be on the agenda of the federal-provincial conference next week?

Mr. Trudeau: The general subject matter of official languages, Mr. Speaker, will be on the agenda. There will be, at any rate, a report of the subcommittee of officials as part of the total report of the committee of officials, and if the provinces or the federal government decide to discuss that report, as I have no doubt they will, I am sure they will be considering the general subject matter of languages. They may also want to address general considerations to the kind of recommendations made in the second volume. I would merely say that one week's notice in this respect will perhaps not be enough to enable very good progress to be made at this particular meeting.

AIR CANADA

PRESS RELEASE RESPECTING SALE OF WINNIPEG MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Prime Minister and relates to a press release, which was made an appendix to yesterday's *Hansard*, page 3731, concerning Air Canada's Winnipeg base. There is a reference in that release to the fact that negotiations for the sale of the base will involve protection of the interests of the present employees. Does that involve a guarantee to employees that they will retain their jobs, seniority and other rights they now have?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I wonder whether the member would mind asking the Minister of Transport this question? He is the one who is responsible for the press release. I cannot answer this particular question.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, I should like to ask the Prime Minister what commitments he may have made to the Canadian Manufacturers Association in response to their brief opposing any moves toward a planned economy?

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

[Mr. Lewis.]

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

Mr. D. Gordon Blair (Grenville-Carleton) moved:

That the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in.

He said: Mr. Speaker, I rise to move concurrence in the fourth report of the special committee on procedure of the house. In doing so, I hope—

Some hon. Members: Oh, oh.

Mr. Blair: I must say immediately that we did not take into consideration the electronic devices, but perhaps we should have.

Mr. Nowlan: The lights of parliament are getting dim.

Mr. Blair: In undertaking this task I hope that without offending the rules of the house I can explain briefly the nature of the three reports which were filed on Friday last. The third report is an explanation of the various recommendations made by the committee. These recommendations are set forth in the form of draft standing orders in the fourth and fifth reports. The fourth report contains major recommendations of the committee dealing with such matters as supply, ways and means, the legislative process, the programming of business, and so on. The fifth report contains a number of important but less significant amendments and also includes a number of amendments which would be consequential upon the adoption of the fourth report.

• (4:00 p.m.)

In making these remarks I am conscious of my duty as chairman of this committee. I intend to speak factually, objectively and dispassionately in an attempt to explain what this committee, composed of representatives of all parties in the house, attempted to accomplish in its reports.

I should say at once that your committee held 26 meetings in the space of almost three months and that all of its deliberations were marked by extreme cordiality and by the fullest and frankest exchanges of opinion. At the end, despite its best efforts the committee had to agree to disagree on what appear to me to be only two or three issues at the most. The suggestion that was made in some quarters of the press that the committee broke up in

violent disagreement is entirely false and does a great disservice to all members of the committee and also, I suggest, to all members of this house.

All hon. members will be aware that since 1964 this house has carried on much of its important business under a series of provisional orders. The reforms which have been accomplished by these orders are important, but it was generally recognized that the house could not complete the task of reforming its procedure until it had dealt with important matters such as the business of supply and the legislative process. These matters were studied intensively by a committee in the last session of the last parliament. The fourth and fifth reports of that committee, which were filed on March 13 and March 20, 1968, form the background for the report which is now presented to the house.

First, I propose to deal with the business of supply, because if this aspect of our report is adopted it will provide the framework and the parliamentary timetable about which all the other business of the house will revolve.

I need not remind hon. members that under the present provisional rules supply is discussed in two stages. There are four two-day debates on supply motions and 30 days are allocated to the consideration of estimates in the committee of supply, a total of 38 days in all.

I think it is fair to say that the handling of the supply business of the house satisfies no one and it is the subject of much justifiable criticism. First and most important, it fails—and it has always failed throughout the life of all the parliaments of Canada—to satisfy its basic purpose of providing for a full, careful scrutiny of the estimates of departments. Whether or not a fixed period has been set for the conclusion of the business of supply, the *Hansards* of our parliaments are full of lamentations and condemnations of the practice of passing numerous items of supply without debate, without scrutiny, without check at the end of the session or at the end of a supply period. I call your attention, Mr. Speaker, to the fact that most of these lamentations which have always been on record come from the years before the time that there was a formal limit on the number of supply days.

In addition, I think it is fair to point out that such discussion and scrutiny as there has been of supply, particularly in recent parliaments, have tended to occur long after a good part of the money has been spent. This scrutiny long after the event runs counter to the theory of parliament appropriating money only when it is satisfied that the purposes are proper.

Without derogation of hon. members I think it is also fair to comment that the debates on supply estimates tend to be general speech-making events on the part of both opposition and government members. There are few, if any, detailed questions about the money expenditures proposed. The speeches are uneven in their effect, concentrating always on the first item of the departmental estimates and leaving many items undiscussed.

In addition to this unsatisfactory discussion of estimates in committee of supply, the practice on supply motion debates is equally unsatisfactory and imprecise. As the house well knows, on the four occasions now prescribed by the provisional rules when the government must propose a motion to go into committee of supply, it is the right of the opposition to move amendments and subamendments and to raise serious issues of national policy. These debates, although valuable, lose considerably their force and effect for two reasons: first of all, because they are too few in number and second, because no proper notice is given. It is only in the latter stages of these debates that the members of the house are prepared fully to grapple with the points which have been raised.

The principal purpose of your committee in dealing with the business of supply was to restore vigour and purpose to the supply proceedings of the house. Your committee noted that the British parliament, for example, no longer undertakes any detailed scrutiny of estimates in advance and reserves supply days for general discussions of national policy matters that are raised by the opposition.

In essence, Mr. Speaker, your committee, on this question of supply, adopted the unanimous recommendation of its predecessor committee made in March, 1968, which combines the British concept of general days of debate in the house with continuing scrutiny of the details of the estimates by standing committees of the house. In connection with the business of supply, your committee recommends that parliament should adhere to a regular yearly timetable. The session, it recommends, should start normally in the month of September or early October of each year and should terminate around July 1 of the following year.

For the purpose of the allocation of supply the parliamentary session would be divided

into three periods, which have been termed semesters, ending on December 10, on March 26 and on June 30. The most important business of supply would take place in the third period ending on June 30. This would commence with the tabling of the main estimates of the government in February of each year. These estimates would be immediately referred to appropriate standing committees, which would be directed to report them back to the house not later than May 31. In the first semester it is possible that some supplementary and additional estimates would be considered, and they too would be referred to the appropriate standing committees. In the second semester there would be supplementary estimates and, in addition, interim supply would have to be voted before the end of the fiscal year or March 31 to cover the period from April 1 to June 30.

• (4:10 p.m.)

The committee recommends that in total, during the three periods 25 days should be allotted to the opposition for motions on any subject within the jurisdiction of the parliament of Canada. Only at the end of these allotted days, only after the opposition had had their say on these motions, would the house be asked to vote supply. Five of these allotted days would occur in the first semester, seven in the second and 13 in the third. In each of the periods the opposition would have the opportunity to move not more than two no confidence motions. The other motions would simply expire at the conclusion of the day of debate.

In addition to the 13 allotted days in the third period the committee has recommended that a further three days should be allowed for the consideration of final supplementary estimates, if any are brought down during the period ending on June 30. In connection with the allotted opposition days I should emphasize that it is the recommendation of the committee that the opposition would have complete freedom to choose whatever topic for debate it desired. I think it is to be expected that in the third semester some of the opposition motions, perhaps most of them, might relate to the reports of the standing committees on the estimates of the different departments, or they might relate to criticisms based on information discovered by the opposition during standing committees.

On the last allotted day in each period all motions and all other business relating to supply would come on for decision at the end of the day. At this stage members of the opposition would have the right of giving notice to call for separate votes on specified items in the estimates. Your committee considers that the adoption of this procedure would provide much greater protection to the public and members of parliament than prevails under the existing procedure. Undeniably it will provide a much greater opportunity to hon. members to scrutinize the estimates in committee where officials as well as ministers may be examined.

The procedure of permitting debates on prearranged subjects will give the opposition an opportunity it does not now possess to raise meaningful debates on matters of national interest as they occur from time to time. I emphasize again that the government's request for supply must pass first the hurdle of the standing committees, then the debates on the various opposition motions and, finally, the final vote on the estimates in the house. Consequently I believe it can quite properly be said that the house will have more effective control over the granting of supply than it has had heretofore.

On the other hand, the committee felt that the provision of supply on a timetable such as proposed would be of immense benefit to the house and to hon. members. It would enable the government to expect timely decisions on its requests for appropriations. In all respects the form proposed is similar to that which has been adopted by other parliaments such as that of the United Kingdom. I also suggest that this new procedure would avoid what many regard as an existing scandal under existing procedures, where the estimates of different departments are considered in a committee of the whole house attended usually by hardly more than a bare quorum.

The second major area of reform considered by your committee was the legislative process, namely, the procedure under which public bills are translated into law. At the present time any money bill, that is, a bill imposing a charge on the exchequer, must be preceded by a debate on the resolution which, under the provisional rules, is limited to one parliamentary day or a total of five hours. The bill must then have its three readings, the first being a formality. Second reading frequently is preceded by a major debate, followed by a clause by clause consideration in committee of the whole house; that is then followed by third reading. I wish to say that the committee felt general agreement that the resolution stage of a money bill no longer serves any useful purpose. Debates on a measure which has not yet been placed before the

house are so stylized and artificial, and they waste so much time, that it is hardly necessary to elaborate in detail why it is sensible to dispose of this procedure. It is contemplated that any bill making a charge on the consolidated revenue fund would be accompanied by the type of message from the crown recommending the expenditure which is contemplated by section 54 of the British North America Act. The bill, on the motion for first reading, would be directed to be read the first time and printed. With the elimination of the resolution stage it is contemplated that the government could publish many, if not most, of the bills relating to its total legislative program early in the session, with immensely favourable consequences for the total planning of the session by the joint action of government and opposition parties.

Your committee gave very careful consideration to the question of second reading and it considered that under present circumstances there is an exaggeration of the importance of second reading. The true accomplishment of second reading is the definition of the scope of the bill and the agreement of the house to examine further into it. But at second reading it seems premature to engage in a decisive debate—a debate which is long and perhaps hard-fought, before the house has had an opportunity to consider the detailed clauses and provisions of a bill. Second reading admittedly is an important step along the way, but in order to place it in proper perspective your committee has recommended that the motion on second reading hereafer be, "That this bill be now read a second time and referred to a committee."

• (4:20 p.m.)

Under the revised standing orders it is contemplated that practically every bill will be referred to an appropriate standing committee. Some bills will not be referred to a standing committee, namely, the taxation measures following on the budget and the formal bills dealing with supply. It also seems possible that the house leaders will agree that certain minor legislation requiring no intense study at the committee stage might continue to be dealt with in committee of the whole.

The effect of this new procedure will be to revive the importance of the stage at which the report on the bill is considered. Our report recommends that if the bill is reported with or without amendment, it should be put to a vote at the report stage without debate unless members have put down specific amendments to the bill to be considered at this stage.

The rules would provide a proper period between the publication of the report and the commencement of the report stage and also for the giving of notice of amendments which probably would be printed on a separate notice paper to be attached to the bill. Mr. Speaker would have the right and authority to select and combine amendments so that the debate would follow the order of the bill and would be concentrated on the decisive questions to be determined by the house.

It is expected that the effect of this change, if accepted by the house, would be to transfer the fulcrum of debate on major legislation to a later stage in the consideration of the bill. In some instances it is to be expected that this new procedure would greatly enhance the importance of third reading.

It is obvious that under this procedure legislation will receive more careful consideration and scrutiny than at present. Instead of legislation, estimates, and all the other business of the house having to go through all the required stages in this chamber, it would be possible for important stages to occur outside the house where more time can be taken and more detailed consideration can be given particularly to the drafting of legislation. This procedure could be adopted, of course, only if the committee of the whole stage were abandoned. For otherwise ministers would not be willing to have their legislation considered in detail in both a standing committee and committee of the whole and the members themselves would regard the standing committees as unimportant.

The foregoing description of the legislative process substantially applies to the proceedings of the United Kingdom parliament, which was favourably commented upon by last year's committee.

The business of ways and means is of an importance equal to that of supply and the total legislative process. Your committee felt that like the committee of supply, the committee of ways and means has also become superfluous and merely an interesting procedural survival from long forgotten history. The motion to go into committee of ways and means is made by the Minister of Finance on the presentation of his budget. It is recommended that this procedure be abolished and that the minister, when he wishes to present his budget, make a resolution couched in very general terms to the effect that the house approves the financial policies of the government. As part of his budget presentation, the minister has always filed

resolutions for the amendment of the different taxing acts and at some stage subsequent to the budget debate these resolutions have been considered and the bills given first reading. It is consistent with the committee's approach to the resolution stage that it should recommend that debate on these budget resolutions should be abandoned and that they should be put to the vote after the conclusion of the six-day budget debate or at such time thereafter as appears to be suitable.

In other respects, the business of ways and means would be transferred to the house and would be conducted with the Speaker in the chair, and after second reading all the various finance bills would be referred to a committee of the whole house.

The effect of the changes recommended and summarized thus far may be emphasized at this point. Although there are 365 days in the year, it is self-evident that parliament will not sit on all of these days and it is highly advisable that it should not do so because hon. members must keep in close contact with the constituencies they represent. Assuming members want to be in their constituencies during the summer, approximately four weeks at Christmas and two weeks at Easter, and making allowance for Saturdays, Sundays and statutory holidays, it seems that a reasonable number of sitting days would be approximately 160 to 170 in any year. Of this total, eight are occupied by the debate on the Speech from the Throne, six by the budget debate and, if these recommendations are adopted, 28 by the business of supply, a total of 42 days in all for general debate. I should have added earlier that your committee recommends that any days unused on the debate on the address or on the budget debate should be transferred to supply.

This leaves something like 125 days during the parliamentary year for the passage of legislation and the completion of other business of the house. This is by no means an inconsequential number of days but measured against the volume of legislation presented to this and previous parliaments it does not provide room for the luxury of wasted time.

The scheduling of parliamentary work is in no sense a new idea. It has been followed in Britain and elsewhere for many years and the Canadian parliament is one of the few major parliaments, if not the only one, lacking any procedure effective for the prior planning of its legislative and other programs.

I believe that most members agree that procedures should be adopted to permit the house to plan its work. Naturally different members have different ideas as to how this might be done. The basic proposals of your committee is that a proceedings committee be established consisting of the house leaders of each party in the house. I think it is important to point out that this committee will consist of the four house leaders treated as equals, and will not reflect the numerical proportions of the different parties in the house. This excludes the possibility of majority decisions by this committee.

• (4:30 p.m.)

It is recommended that the committee be chaired by the government house leader, that it meet generally twice a week, and that it make its reports to the house on most Thursdays. This committee, in its work, would have many advantages.

Under the new rules most of the legislation proposed by the government would be disclosed in detail early in the session. The publication of this legislation would not be held up by the necessity of waiting for approval at the resolution stage.

Placing less emphasis on the second reading debate, and the reference of most important legislation to standing committees would fully acquaint members of the house and the country of the significant features of legislation which was under discussion.

At any time the proceedings committee would be in a position to make a reasonable and intelligent assessment of the amount of time which might properly be allotted in the parliamentary program for the specific stages of different bills before the house. Your committee recommends, where the proceedings committee would make a unanimous recommendation to the house as to the amount of time to be allotted to a particular stage of a particular measure that that recommendation would automatically become an order of the house. Knowing the specific amount of time which has been allotted to different stages of different measures the government leader, in consultation with his colleagues, the other house leaders, would be in a better position than at present to establish a reasonable timetable for calling the different stages of measures before the house.

Some hon. Members: Oh, oh.

Mr. Blair: I suggest, Mr. Speaker, that this is no time for hon. members to make remarks. There is no reason to expect that the

house leaders will not co-operate conscientiously and effectively in making the new proceedings committee work. To a very large extent this new committee will permit the leaders of the various parties, particularly the opposition parties, to assume responsibility for the performance of their parties in the house. Heretofore the inability of the house to enforce agreements made between party leaders has resulted in a wasteful prolongation of debate which often has been deplored in every quarter of the house.

To me it seems unthinkable that any party would fail to take a serious part in the discussions of the house program, and it would appear to me that any party which failed to make a positive contribution to this discussion would suffer in the public esteem. I find it hard to believe that any party would take the peculiar stand of saying that it opposed a procedure for the establishment of a sensible program for the house business, and that it would not conscientiously and sensibly take part in these procedures.

Nevertheless we have to recognize that we live here in a political forum and, notwithstanding the desire of hon. members to accommodate themselves, there may be times when serious and unbridgeable disagreements may arise as to the programming of business in the house. Where such disagreements arise, the question which faced the committee, and which I submit this house must answer, is: who shall have the responsibility to propose a resolution to the disagreement? Much has been said, and may be said again, about the desirability of leaving an issue of this type to be worked out by the parties or, failing this, to be worked out by events. This, in the opinion of the majority of your committee, would mean in effect that any opposition party represented on the proceedings committee would have an absolute veto over the planning of the business of the house.

This veto would have both its obvious effects and its hidden effects. Obviously it would express itself in a prolongation of debate, a repetition of arguments, and a filibuster hopeful of political advantage. But it is likely to have a hidden and even more insidious effect. The undue prolongation of debate on one measure precludes the house from dealing with other measures during the session and as a consequence important sections of the public may suffer. Moreover, experience has shown that such discussions might be of an endless character giving no indication to parliament or to the public of when such a debate would end.

Accordingly your committee has recommended that the event of disagreement in the proceedings committee should not be dealt with by default, should not be dealt with by the unsatisfactory process of permitting one or more parties to impose an open and a hidden veto on the proceedings of the house. In the recommendation of your committee it is much more open, straightforward and businesslike for the house and the whole of the country to know how a stalemate of this kind is to be resolved. Consequently the proposal of your committee is that the government in such an event be confronted with its responsibility, that it be able to bring forward a timetable for the disposition of a disputed bill or bills, and that this timetable be subject to debate and to decision by the house.

Again I point out that this procedure in its essence is very similar to that used at Westminster.

Mr. Nowlan: The czar of the House of Commons.

Mr. Blair: Finally, the fourth report recommends changes in standing order 26. The recommendations of your committee follow almost exactly those of the sixth report of the committee which reported to the last parliament. The purpose of the change is to provide for a proper and more effective use of the standing order. I think all hon. members realize this is the standing order which provides for the adjournment of the house to consider a definite matter of urgent public importance.

No one will be surprised by my assertion that as matters now stand this standing order is looked upon askance by many hon. members because of what might be called the bootlegging debate that takes place on the substance of a proposal under the guise of a discussion on whether or not it is a definite matter of urgent public importance. Your committee recommends that a member seeking to make a motion for the adjournment of proceedings under this standing order should file with Mr. Speaker, at least two hours before the opening of the sitting, a statement of the matter of urgency. The member would be permitted to read his statement to the house but not to argue his case. The Speaker would make his decision—

• (4:40 p.m.)

Mr. Speaker: Order, please. I must bring to the attention of the house that the hon. member's time has expired. Has he leave to continue?

Some hon. Members: Agreed.

Motion for Concurrence in Report

Mr. Blair: Mr. Speaker, I wish to express my thanks to hon. members and I will try not to transgress too much.

An hon. Member: You did not allocate your own time too well, did you, Gordon?

Mr. Blair: I was dealing with standing order 26 and had made the point that a member would not be permitted a further argument in support of the statement submitted to Mr. Speaker. The Speaker would then give his decision but would not be required to give reasons for his decision unless he wished to do so.

Should the Speaker find that the matter raised was, in the terms of the new standing order, a specific and important matter requiring urgent consideration, on ordinary days debate would be fixed to start at 8 p.m. in the evening. I should think that there will be general agreement with this proposal, but there may be some doubts about the desirability of not requiring the Speaker to give reasons for his decision. It should be noted that in order to prevent their parallel standing orders from accumulating a burden of precedents that would restrict Mr. Speaker in his judgment, the British house specifically prohibits the Speaker from stating his reasons.

I think that this abbreviated description of the matters covered in this report will serve to indicate the scope of the work which the house assigned to the committee and the importance of the recommendations the committee has decided to make to the house.

At all times the aim of the committee was to enhance the importance and the effectiveness of parliament. Its aim was to give a greater opportunity for participation to individual private members of parliament on both sides of the house, to provide better scrutiny for bills and for estimates, to provide a basic timetable which would enable hon. members, both private and ministerial, to plan their days and years so they could meet necessary obligations here and in their constituencies, to place the government in a position where it could only reasonably bring before parliament a legislative program which it was capable of enacting, to give the government the assurance of knowing that at certain stated intervals decisions would be made for or against its requests for supply. The final and I think the most important purpose of these recommendations is to give the opposition in parliament an ample opportunity to bring on debate on the issues they deem important to the nation. This they do not possess at the present time.

Therefore I have the honour of moving, seconded by the hon. member for Sudbury (Mr. Jerome), that the fourth report of the special committee on proceedings of the house, presented to the house on Friday, December 6, 1968, be concurred in.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to begin by thanking the mover of the motion for the moderate manner of his presentation, and I trust he realizes now that there may be different standards of judgment as to what is a waste of time and as to how long a member should have the opportunity to speak in the house.

I was struck by the continual emphasis the hon. gentleman placed upon British tradition. I also admire the British tradition, but I thought that hon. members opposite as well as most Canadians were anxious to develop our own traditions in Canada suited to our own conditions. I was a little surprised to find that whenever my hon. friend found the going somewhat heavy he fell back upon the practice at Westminster and on British tradition.

This debate may be a long one. I hope it will not because I hope the government will see reason before we spend too much time in this process, but whether the debate be long or short I hope it will be restrained and reasonable in tone.

We on this side of the house in more than one party believe that a fundamental issue is at stake—perhaps the fundamental issue. I refer to the right of parliament to control itself and thereby to control the government. This question has arisen before and we know it is an issue over which passions can be aroused on both sides of the house. It is also, in the context of this country at this time, an issue which can become obscured and partisan and, indeed, the subject of passionate debate.

All hon. members know that legislatures do not today everywhere enjoy the high repute in which we would like to see legislatures held. There is now a popular impression in some quarters that legislatures are an obstacle to good government. That impression offers to those who genuinely seek reform the natural temptation to change more than is needed and a temptation to change the purpose of parliament in the name of improving its procedures. This impatience with legislature, therefore, requires special vigilance on the

part of defenders and friends of parliament. I assume that all of us, being here, would support and defend the purposes of parliament.

It is not a simple task, in an age impressed by urgency and efficiency, to defend an institution whose purpose is to deter legislation that is bad, sometimes to delay, and sometimes indeed to oppose to the end bad legislation. It is not easy to make Canadians, who are accustomed to their freedoms, aware when these freedoms are under threat. I would hope that no one on either side of the house would use the weaknesses of legislatures in the public esteem to weaken parliament further.

The great majority of the members of this house know that if parliament becomes a rubber stamp it becomes useless. That is the main reason for being here, and one weapon we possess is our ability on occasion to compel the government to reassess its measures and force it to change or even to halt a course of action which we believe to be inadequate or wrong. If that were not necessary parliament would not be necessary. But governments make mistakes, even governments with computers. A government which knows it must face an effective opposition will take more care than will a government which has the power under its rules to disarm the opposition. Members of a government are not perfect. Lord Acton, a brilliant man, a man I believe admired by the Prime Minister, (Mr. Trudeau), said in the course of a well known quotation:

• (4:50 p.m.)

There is no worse heresy than that the office sanctifies the holder of it.

Members of a government are subject to fault like the rest of us. The function of the opposition is by our probing to reveal and correct those faults, by our presence and by our powers to make the government more careful, to make the government more compassionate, to make the government more responsive to the needs of the people of this country.

There are some facts to establish about parliament and about parliamentary reform. The first is that the problems that frustrate Canada were not created here in parliament, and they will not be solved by a mere amendment of the rules of parliament. It was not the rules of parliament that caused inflation, created a crisis in housing, or slowed the sales of grain. It is not the reform of parliament which will produce a satisfactory foreign policy, bring growth to our economy, reduce unemployment, end the alienation of the young or reduce the strains within confederation. Parliament is not the cause of these frustrations, and parliament ought not to be the victim or the scapegoat of them.

Some hon. Members: Hear, hear.

Mr. Stanfield: The second fact is related to the first. It is that changes in the rules will not radically or suddenly increase the quantity or the quality of the output of this parliament. There will be improvements, I would hope, but there is no magic in procedure, no magic that will cause the government to draft more and better laws quickly, above all, no magic that will produce policies and solutions where there have been none produced to date.

If this government had no opposition at all to face it would still be behind. It would still face a backlog of things it should be doing and problems it has not been able to solve. That, after all, is the fate of governments in a changing and complex time, in a changing and complex country. We are not going to transform the capacity of this government simply by amending the rules of parliament. There is no magic wand, and there should be no attempt to suggest that these or any other changes to the rules will suddenly and as if by magic make the government efficient.

The third fact is that the purpose of parliamentary reform is not simply to serve efficiency, as the hon. member who introduced the motion seemed to believe, important though efficiency naturally is. The purpose, rather, is to work out a process of debate and legislation which is consistent with the democratic values of the Canadian people.

Some hon. Members: Hear, hear.

Mr. Stanfield: I emphasize that. We do not simply need a procedure which passes laws. We need a procedure which also passes the demanding test of free and adequate debate. It is not enough to be concerned merely with the efficiency of the process. I would assume that the legislative process in the Soviet Union is very efficient. But we are a different kind of country and the rules of our parliamentary debate must reflect and protect that difference. We must not demean the importance of debate. Of course, there must be reasonable limits upon the time parliament spends in discussion. But there must also be time for adequate discussion here. The right of discussion and debate, the associated right

of inquiry and the consequent capacity to arouse and inform public opinion, is the single most important safeguard the country has against arbitrary, secret or unresponsive government. This is the place in Canada where grievances can be raised with most effect. To arbitrarily limit the right of members to speak is to limit the capacity of the government to understand and respond to the problems of Canadians.

I suggest we must remember that this is the only national forum in which spokesmen for all parts of Canada can speak and expect to be heard. I need not remind the house that different regions of the country have specific problems and points of view. Discussion in a national forum helps to knit the regions into a whole nation and to build a stronger unity. It seems likely that one of the serious casualties of any major limitation upon the time of debate would be the right of spokesmen to be adequately heard on the problems of the regions. I suggest that national unity would suffer.

When considering our constitution we take it for granted that we must consider the nature of our country. It seems equally obvious to me that when considering the rules of our House of Commons we must consider the nature of our country. Members of the opposition generally, as I understand it, approve and support the vast majority of the changes proposed in this report. Indeed, spokesmen for the opposition parties suggested many of these changes. We recognize that in some cases the traditional powers of opposition parties and private members are withdrawn or reduced, and we are prepared to accept this to the extent it is necessary to improve and strengthen parliament.

I will not dwell at length upon the obvious, but it is important to assert that the contest in this house is not a contest between reformers and intransigents. We on this side of the house have supported and proposed extensive reforms, all of which we believe will make parliament more effective, government more responsive and the private member a more useful part of the work of the house. We in this party, indeed, have additional reforms that we would like to see incorporated. We believe that government has the right and responsibility to govern. The rules of parliament should help the government to govern well. We support the reform of parliament. We support it enthusiastically and out of conviction. But we draw the line at certain fundamental and unnecessary changes which would deform parliament and make it ineffective. We draw the line at proposals which would put parliament in the hands of the government because that, we believe, would reverse the appropriate relation. Parliament must not be made subservient to the government. Parliament must continue to be responsible to the people through parliament. That is a parliamentary tradition and we defend it today, not because it is an old tradition or even because it is a British tradition but because it is a good tradition—

Some hon. Members: Hear, hear.

Mr. Stanfield: —and the best safeguard we have against arbitrary government. It is, in the final analysis, the only safeguard we have. At various stages we will have changes and improvements to suggest to the proposals made by the special committee. We shall have certain reforms to suggest on our part. I say in passing that whether the arrangements suggested by the committee for written amendments at the report stage are practical, you may, Mr. Speaker, find yourself flooded with amendments proposed in respect of important legislation with which you may find it very difficult to cope.

• (5:00 p.m.)

We will certainly be interested in the amendments and suggestions made by hon. members from all parts of the house and we will consider them carefully. Any proposal that seems to us to be likely to improve the effectiveness of parliament and the contribution of its members will be welcomed. Our attitude in this regard will continue to be constructive and co-operative.

But, sir, there is not the slightest chance that we will ever accept the proposal that the government majority should have the power to impose allocation of time in advance on any number of items on the order paper or before standing committees before a word has been uttered in the house.

Some hon. Members: Hear, hear.

Mr. Stanfield: I should make a slight correction, Mr. Speaker. We would be allowed two hours to protest and then we would be crushed by the juggernaut of the just society.

Some hon. Members: Hear, hear.

Mr. Stanfield: One must be frank. This is a vicious proposal, unnecessary, excessive and brutal in its potential impact on parliament

and those whom parliament is sworn to protect. I repeat, we will never accept it.

What is being proposed here? It is proposed that there be a proceedings committee, to be composed probably of the various house leaders, to help arrange the introduction and orderly consideration of the business of the house. So far, so good. We agree that upon the unanimous agreement of the house leaders, subject to the considerations noted in the proposed standing order, the allocation of time for a specific item before the house becomes an order of the house. This is in itself a major departure. It is a considerable convenience for the government, but we do not oppose it. It is founded upon the consent of the various house leaders, and we would be bound by their consent.

Members of the house should be reminded that we have not had any machinery for authorizing house leaders to make effective agreements as to the allocation of time binding on the house. A house leader today has ordinarily not been able to commit his party to terminate a debate within a given time because he could not prevent debate from continuing beyond the time in question. If the rules were changed to translate agreements between house leaders into house orders, as is suggested, the vast majority of the difficulties of the house regarding length of debate would thereby be eliminated. The hon. member himself said there is no reason to believe that house leaders would not co-operate. I suggest we stop there. That in itself would enable a solution of a vast majority of the problems of the house with regard to the orderly arrangement of debates.

But the government is not satisfied with this. What happens if the house leaders have not reached agreement? First of all, there is the convenient provision that would allow the government house leader, sitting alone all by himself, to constitute a quorum. We are told that this is inserted to prevent the other house leaders from boycotting his meetings. But he could very easily end up by having his meetings in the shower at home in the morning.

Mr. Woolliams: And then he may boycott himself.

Mr. Stanfield: This provision that a quorum may consist of the government house leader, the President of the Privy Council and hon. member for Rosedale (Mr. Macdonald), has to go.

Some hon. Members: Hear, hear.

Mr. Stanfield: Surely I do not have to elaborate on the point. There is not an impartial observer anywhere who knows anything about this parliament who would not agree that for the sake of parliament and the parliamentary process the present government house leader is one who has to be kept on a very short leash.

But what is much more destructive of parliament is that we are told now to accept that, in the absence of agreement among the house leaders, the government house leader can determine in advance how much consideration any given government measure or batch of measures requires. If I were to employ a form of argument enjoyed apparently by the right hon. Prime Minister, by *reductio ad absurdum* it would be possible for the government house leader, with the support of the majority, to put a whole batch of bills before the house and to insist that they be dealt with at the rate of about ten minutes apiece. There is certainly nothing in the rules to prevent it.

Mr. Knowles (Winnipeg North Centre): Don't put ideas into his head.

Mr. Stanfield: I do not think the house leader needs any tutoring from anybody on this subject. The house leader could determine this for a whole collection of items before a word had been uttered in the house. He could include in his order anything that was on the order paper or before a standing committee and give the house two hours to protest, following which his majority would ram it through the house.

I say this is vicious and absurd. It is a perversion of the parliamentary process to say that the government should be able in advance to decide how much time a batch of bills requires for consideration by this house, how much time is required for clause by clause examination in a standing committee, and how much time is required for debate or discussion before a batch of bills is passed.

It is the natural instinct of every government that has a difficult, unpopular or controversial measure to get it through with as little fuss as possible. A government house leader is the last person in the world to have in effect the power to decide unilaterally and in advance how much consideration should be given to various items of legislation.

Some hon. Members: Hear, hear.

Mr. Stanfield: The rule of closure is still on the books. The hon. member who made the

motion suggested that unless this rule is adopted debate could go on endlessly. But the truth is that on any specific item of legislation, if the government feels that the right to debate is being abused or that the public interest is suffering by not having a particular law passed, if the government feels it can justify the use of closure in that instance, it can invoke closure. It does so, accepting the responsibility for it before the people of Canada and relating it to a particular case.

But what is proposed today goes far beyond the present rule of closure. It would permit the government house leader to decide a week or more in advance to apply closure to all stages of all measures on the order paper or before standing committees before any consideration had been given to any of them. He would determine. He would be the dictator. The government majority in the house would give his dictate the stamp of approval, and parliament would be bent to his will.

Some hon. Members: Shame.

Mr. Stanfield: The government house leader or others on his behalf may assure us that he will use this power moderately and responsibly. He can keep his assurances. They are worth nothing in this parliament and less than nothing to any future parliament. The government has more than enough power to act under the present closure rule. If in a given case the government feels the right to debate is being abused and if it feels it can justify cutting it off, why does it want this new power? Why does it want it, except to apply closure in advance to a whole parcel of legislation? The only reason for having this added power is to use it, and use it it would.

• (5:10 p.m.)

Now, why this added power? A majority government does not need this power unless it wants or intends to be authoritarian. This power would be of no use to a minority government because only a government with a majority to ram through the will of the house leader can make any use of this particular rule. The intention is clear, to make closure the routine rather than the exception. The assumption contained in this proposal is that the minority is always irresponsible and always wrong, the majority is always responsible and always right. Pass this proposal, and the volumes that have been written by the Prime Minister over 20 years on the rights of the minority will be categorized as sanctimonious hypocrisy. I say to the Prime Minister through you, sir, that if he insists that these changes be passed he will deny and betray what he says he has stood for.

We will be told by the government in the course of this debate that no government would really abuse this power because they would be turned out of office by the voters at a general election. This argument is nonsense. If we follow that line of reasoning, we might as well pack up parliament and all go home. The people could go on electing governments every four years or so, they could defeat governments, change their political complexion and the personalities that compose them, and we would continue to call it a democracy. It would be no democracy at all if in the meantime the government could use parliament as a rubberstamp.

The government is not satisfied with the changes that have been largely accepted by members of the opposition. They are not satisfied with our willingness to be committed by the agreement of house leaders to a given time. They are not satisfied with having a recourse to closure in extreme cases where they are willing to accept the responsibility and think they can justify it to the people. They are not satisfied with any of this. They are determined that parliament will be programmed, and programmed by them, by the government and the government majority. The reference to programming of business recurs three times on one page in the third report of the special committee.

Let me put it in the most direct way possible. No hon. member of this house, least of all the minority in this house, has been elected to parliament so that we can be programmed by the government. You can computerize the Prime Minister if you like. You can make automatons of your cabinet ministers if they are docile enough to allow it. You can put ministerial activities on a flow-chart and program the Prime Minister's political and social life, if that is the way you want it. However, you should take the word back to those industrious gentlemen in the east block that the computer stops here.

What is the context in which this unnecessary power is being demanded? First, it is being demanded within the context of a majority government, a government with a comfortable majority in this house. As I have said, a majority government does not need this power, and wants it so that it can permit itself the excesses that this power allows. Second, the power is demanded within the context of an opposition that has proven itself to be responsible. We cut off, that is, all parties on this side of the house, the throne

speech debate early. We suggested the reference of the Biafra issue to a standing committee and used one of our own opposition days to debate the report of that committee. We tried to have the postal bill referred to a standing committee. This procedure would have saved several days of time in the house. We tried to have one of the farm bills passed in all its stages at one sitting. We agreed to sit extra time to pass bills, and so on.

Third, this excessive power is being sought when we have already obviously gone a very considerable distance in our willingness to accept so many of the recommendations of the committee that impose limitations on members of opposition parties in this house. But none of this is enough for this government. Apparently they want absolute control of the house. Throughout these recommendations there is a continuing emphasis on the value of study by standing committees. There are, of course, many advantages in the use of standing committees. But we are now in a position where two-thirds of the estimates go to standing committees. There is plenty in the existing state of our standing committees to give all of us concern about how much more we should turn over to them. I am not making any comment now upon the merits of the discussion earlier in the afternoon. The third report of the procedure committee itself reflects some doubt about the manner in which committees are presided over.

If I may say so without flattering, Mr. Speaker, there is a vast difference between the conduct of our procedures under yourself or the Deputy Speaker of this chamber and being at the tender mercies of some 20 members of the government party who, with all the good will in the world, do not have necessarily the training or competence of yourself or your deputy.

This report would require all the estimates to be referred to committees. Furthermore, this report would have all legislation referred to standing committees, except the very few instances in which the hon. member indicated use might be made of the committee of the whole house on bills. This use of standing committees under these circumstances is proposed without any effort to give expert assistance to the committees.

The Prime Minister did a very constructive thing earlier in the session when he made additional help available to the opposition parties. This was a constructive measure, and one upon which I have no hesitation in complimenting him again. The committees, Mr. Speaker, are in no condition today, I suggest, to receive the vast amount of work that this change proposes be turned over to them. All of this would occur at a time when we have many committees meeting at the same time. As I say, we must recognize the limitations and traditions of those committees, to put it as tactfully as I can.

We should ask what would have happened in a situation such as prevailed here in this house between 1958 and 1962 when the combined opposition numbered 60 or less? The opposition would never have been able to man these committees effectively. The close examination of government spending and legislative proposals would be a farce. The consideration of these matters would be far less effective than if it took place here in this chamber, either in the house or in committee of the whole.

Even now, Mr. Speaker, when this government has its comfortable majority, it does not seem able to man these committees properly. Having been defeated on a motion in the transport committee and having decided on a new chairman last Friday, they apparently could not muster enough members to elect him. I think perhaps the government should bear this in mind when they are considering the views and difficulties smaller parties might have in adequately manning committees which are considering important measures. I must say I also wish to congratulate the government whip because apparently nobody would ever be able to program him.

• (5:20 p.m.)

Why should the government and its supporters in the house insist on abolishing the committee of supply at this time and sending all departmental estimates and in addition virtually all bills to standing committees for consideration? We recognize that the standing committees are a good place for the consideration of the estimates of most departments of government, but I have mentioned the weaknesses of the committees and the unsatisfactory traditions surrounding chairmen. I have already referred to the overloading of committees, which in turn is having an effect on attendance in the house.

We in this party want the right to have some departmental estimates considered in the committee of the whole house, and this is a right that we want recognized. We are suggesting that roughly one-third of the departments be considered here and that we have some choice as to which departments they are to be. Surely this is a perfectly reasonable

suggestion, and I should like to know why this is something that my hon. friends opposite will not allow the opposition to decide. Why do they insist on jamming their views down our throats in regard to what is the role of the opposition?

This proposal would not involve extra time. Not one additional minute is involved in what I am suggesting. The government does not save one minute by doing what it is proposing compared with what we want done. When members of the government stand in this house and purport to be putting this proposal forward on the ground that it would help the opposition, then I do not think one is being too skeptical if one does wonder a little about this.

I do not want to be offensive about this, but obviously no time is saved by the government as a result of what it is proposing. In addition, it is contrary to the way that we who have the main responsibility for examining estimates want to see them examined. There is really only one belief possible for us to hold, and that is that the government wants to weaken the role of the opposition in examining estimates. If that is not the intention of the government, then let it simply indicate that it is prepared to accept the views of the opposition in regard to retaining about one-third of the departmental estimates for consideration in the house. Let us be the judge of that and it will not cost the government one additional day as far as its business schedule is concerned.

These proposals should not be viewed in isolation from other developments which together have the ominous effect of building the power of government at the expense of the individual citizen. It is important to ask the question: What kind of system are we building here? The office of the Prime Minister of Canada already involves enormous power, especially when the Prime Minister controls a majority government. The office of the Prime Minister of this country controls more power than the President of the United States in his sphere, because none of the checks and balances of the United States system are built into our constitution. All the checks and balances there have ever been in our parliamentary system have been built in here in parliament; yet this is a function that my hon. friends now wish to remove.

Indeed, it can be argued that the Prime Minister of Canada has more power in his sphere than the Prime Minister of Great Britain, even if my hon. friends wish to rely entirely on the argument relating to the British tradition, because in our parliament we do not have the degree of independence in our parties that is evident in Britain where frequently a large slice of a particular party votes independently of the view of the party leader or party caucus.

All of this is occurring at a time when government and society are growing more complex and the feeling of effectiveness of the individual citizen is growing smaller and smaller. The Prime Minister himself has recognized this social and psychological problem and has spoken contagiously of the prospects of involvement and participation. I must say in all frankness that these words have a hollow ring against the background of a guillotine which will even further weaken the control Canadians have over their government today.

Speaking briefly on television the other night when he was addressing the human rights conference here, the Prime Minister affirmed his belief that government must serve and protect individual citizens, and I assume the Prime Minister includes parliament in this context. Certainly that is our conviction. Other agencies exist in a free society to protect the individual against the state—the courts, the free press and some other forums. But none has the ultimate strength or sanction of parliament. And parliament has that strength only because, when the chips are down, parliament can force a government at least to delay. This proposal would deprive us of that power.

I say to you, Mr. Speaker, that these gentlemen would deform parliament, not reform it. Therefore I am going to propose an amendment and I would ask the Prime Minister and the supporters of the government in this house to consider carefully our position, to consider the fact that it is so easy to destroy and to weaken and so difficult to restore and to strengthen this institution. I assure the members of this house that we on this side are anxious to co-operate in genuine reform and in measures that go to the improvement of the country. But we are not prepared to see parliament weakened. So I call upon the Prime Minister and his colleagues to consider very carefully what they are doing and also to consider very carefully the suggestions we are making.

[*Translation*]

Seconded by Mr. Baldwin, I move:

That the fourth report of the special committee on procedure of the house be not now concurred

in but referred back to the committee with instructions that it have power to recommend that proposed standing order 16-A be amended to provide that a motion to accept the decision of the proceedings committee shall only be made following the unanimous decision of the proceedings committee arrived at during a meeting properly convened upon adequate written notice.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I would be less than fair if I did not say to the hon. member for Grenville-Carleton (Mr. Blair) that I congratulate him on that part of his speech, and it was the greater part, in which he described the changes that are proposed in the various reports our special committee is making to the House of Commons. No doubt he will recognize that I disagree with him in his interpretation of one or two significant provisions, but he made an excellent statement of the total picture that has been presented to parliament. To these remarks I must add my warm congratulations to the Leader of the Opposition (Mr. Stanfield) on the important speech he has just made. My colleagues and I wish to associate ourselves with his defence of the rights of this free institution.

Some hon. Members: Hear, hear.

• (5:30 p.m.)

Mr. Knowles (Winnipeg North Centre): Like others, Mr. Speaker, my colleagues and I believe that the rules of this house must be improved. We stand for parliamentary reform. Like the Leader of the Opposition, we do not think that improved rules are the final answer. We think in the long run that what really counts is the quality of debate, the nature of the legislation that is placed before us and the motives of those who take part in the work of this institution. If we are here to make a shambles of it we can do it no matter how good the rules are. If we are here to do the business of the people of Canada we can do that even if the rules are not as good as they might be. Nevertheless, Mr. Speaker, we think that there are reforms that must be made.

In a brief aside in my remarks yesterday I possibly indicated the area in which we have to work the hardest. I said I found it interesting to read the words, reported back in 1876, of an hon. member who complained that the special committee on procedure of that year had not gone far enough. He said, "If we do not do something the sessions will get out of hand. Instead of our getting along with two month sessions they are going to last three months." That was back in 1876. Now our concern is to get 15 or 18 months of work done in the course of 12 calendar months. In other words, the area about which we have to concern ourselves most so far as reform is concerned is the area of time, how we use the 12 months of the year or how we use the time of the year that is available to us. Speeches I have made both inside and outside the House of Commons and articles I have written for newspapers and periodicals have concentrated on this issue. I know I am speaking for my colleagues in saying that one of the most important things we must accomplish in any revision of the rules of this house is the provision of machinery by which we can make the best use of our time. We are no longer a parliament concerned only with post offices, roads, customs tariffs and a few things like that. We are concerned with everything that affects our people from the cradle to the grave. We are concerned with problems from under the sea to outer space. The year is only 12 months long and we must cope with the problem of time.

Having said that I am advocate of parliamentary reform and having admitted that I think the major area where we must work is with respect to time, that seems to put me foursquare alongside the changes that our committee has recommended, since many of those changes are directed to solving the problems confronting us because there are only 12 months in the year. That is true. I am on the side of the most of the changes in the rules in the various reports that were presented to the house on Friday of last week. But when I recognize in those reports just one rule—never mind some of the others about which there might be some minor questions—which I regard as dangerous to the freedom of speech, as dangerous to the character of debate in this house and as dangerous to this institution itself, I have no option but to take the same stand that has been taken by the Leader of the Opposition. This rule must not be written into the standing orders of this house.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Let us, in our concern about planning the year and organizing our debates, not get the notion that somehow debate is a sin. Debate is not a sin, a mistake, an error or something to be put up with in parliament. Debate is the essence of parliament.

Some hon. Members: Hear, hear.

Motion for Concurrence in Report

Mr. Knowles (Winnipeg North Centre): Debate is the means whereby we bring into focus the problems, opinions and thoughts of the people of Canada whom we represent. Yes, I agree with the hon. member for Grenville-Carleton—perhaps he was quoting me—that the most insidious form of closure is unlimited time spent on one or two measures so that there is no time left to deal with other matters. I am very clear in my mind where I stand. We must have reforms that cope with the problem of time. But you do not cope with the problem of time in a democratic state by giving all the power over parliament to a dictator—which is what the new rule 16-A would do.

The hon. member for Grenville-Carleton referred to this report as the report of our committee. He was correct in saying once or twice that certain things were passed by the majority. That is true. Indeed, when it came to proposed standing order 16-A, all the Liberals voted for it and all the members from all opposition parties voted against it. We were not only against it in committee; we are against it here.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Although I am opposed to proposed standing order 16-A I think it is only fair to the house and, I think, fair to myself that I take a few minutes to express my approval of most of what is in the fourth report and practically all that is in the fifth report that we shall be dealing with later. Many of the items in those reports are items we have been proposing for a number of years. I like what we have done. For example, we have decided to cut out what some new members in particular have felt to be a ridiculous duplication of debate. We have done that by saying that it is not necessary to debate money bills at the resolution stage, at the second reading stage, in committee of the whole and at the third reading stage. We decided to cut out one of the stages of debate, namely the resolution stage, and we recommended that in our report. We have also taken the view that it is hardly a good use of our time to have a thorough debate on a bill in a standing committee so far as its clauses are concerned, only to have that debate all over again on the floor of the house. We decided that we should have one or the other but not both debates. We made a similar decision with respect to the budget. We noted that the budget went through several stages. There is the six day debate with Mr. Speaker in the chair, debate on the resolutions, debate on second reading, debate in committee of the whole and so on. We decided to cut out the stage of debate on the resolutions.

These things, Mr. Speaker, I regard not as something we have consented to begrudgingly but as improvements that are long overdue. We are pleased to support them. But I draw attention to the fact that all these items are means by which we have tried to cope with the problem of time. We have tried to contract the time to be used on certain stages so that we can have more time for more pieces of legislation.

We have done some other things, too. We met requests put to us by the government, and I have no hesitation in saying that we agreed to those requests. For example, hon. members who have been here for a while will recall that there have been times when the government wanted to deal with urgent matters but was not able to bring them before parliament because of the requirement that 48 hours notice must be given, and so on. There have been occasions when the whole house has been prepared to deal with something but one hon. member—let us think of one who is not here any more; he used to sit across the way—said, no. As a result, parliament was frustrated. We have therefore provided for rules which enable notice to be given of urgent legislation during the period of prorogation or during the period between a general election and the first meeting of parliament. We have also made a provision under which a government can ask for an extension of time through the supper hour or at the end of the day. It is true we have surrounded this with certain precautions, we have made it possible for ten members to prevent this happening and in this way to prevent abuses. Generally speaking, however, the whole tenor of our recommendations has been to try to eliminate duplication of debate and to facilitate the possibility of the nation's business getting before parliament and being dealt with.

• (5:40 p.m.)

I think it is true to say that these general recommendations meet with the approval of all of us. The new members who, after coming here, felt we were wasting a certain amount of time are delighted with them, and I believe the old members feel the same way about them. I also approve of the trial we propose to make of the new arrangements concerning the business of supply. If there is

a slight difference of opinion between the Leader of the Opposition and me over this, maybe we could reconcile it behind the curtain. I deeply share his concern whether or not the reference of all the estimates to standing committees will work. I feel concern for the same reason as he does.

First of all, our committees do not perform in the same way as does the House of Commons in this place. If we load the committees with an abundance of estimates and other work as well, if we fail to accept the recommendation that there be times when the house should adjourn in order that more committees may meet, and if we fail to provide the committees with adequate staff, the system will break down. Nevertheless, I think the proposal is worth a trial if only for the reason that the present system is not working. In support of that last statement I need only refer to what happened at the end of last evening. Hon. members who were present witnessed the approval without question of estimates amounting to billions of dollars in the space of a few minutes. Apart from this, the 19 days we spent in committee of supply on estimates were frustrating. Take this session. Never were we able to pin a minister down and get a satisfactory answer. Never were we able to say: we will not let your estimates through until we get a satisfactory reply. After all, the minister had only to sit tight and count on the efflux of time. The present system is so unsatisfactory that it becomes worth while to try something else. I think that what the committee has recommended is a workable proposal, and it is worth trying.

Some hon. members may ask: are you not aware that if this report is accepted these rules will become permanent and will not apply on an experimental basis? That is true, but in the fifth report we recommended that a committee on procedure and organization be made a permanent committee of the house. We have been given an assurance by the leader of the house that the government itself will give an undertaking during the course of this debate that at the next session of parliament a term of reference will be given to that committee enabling it to review the working of these rules at this session, should they be approved. So there is an element of experiment left, and I think this is what we should do in terms of supply.

Perhaps I have now spent enough time on the things in the report which are good. I thought I owed it to the house to say what I have said and that I also owed it to myself to say that 90 or 95 per cent of this report—I do not know how one measures these things mathematically—is good, good not only because it means change but good because it tries to cope with the main problem facing us, that is to say, the proper use of our time.

Having got all these things in the special committee—and I am referring now both to ourselves and to the government side—the government was not satisfied. I would point out that chronologically speaking we did not get this proposed standing order 16A until we had agreed to most of the rest of these proposals. It might be thrown back at me that we could not agree earlier in the meetings of the committee on a programming arrangement, so it was put off until the end. But the fact of the matter is that after we had agreed to a scheme which abolishes the committees of supply and ways and means, after we had agreed to cutting out the debate on the resolution stage of all bills, after we had agreed to cutting out debate on the resolution stage of the budget, after we had agreed to give the government special powers to bring in emergency measures and so on, the leader of the house came before the committee with the proposed standing order 16A and the suggestion that a committee on procedure be formed and given the powers outlined in the wording which is now before us.

One of the reasons some of us feel annoyed about this is that it seems to us our own words are being prostituted. Time and time again I have argued for the planning of the parliamentary year. I have used the word "calendarizing" to describe the process we ought to follow. It is being done, in part, in the proposed arrangements for supply. But the fact that we have argued for the planning of the parliamentary year does not give the government the right to come along with a proposal which completely takes away the rights of members of parliament and then try to tell us that the government is simply implementing our own ideas.

What does standing order 16A do? The Leader of the Opposition will forgive me if I go over some of the ground he has covered, but no doubt it will be covered again a few times until the government recognizes the validity of our argument and realizes that this report, at least so far as 16A is concerned, ought to be turned back to the special committee for review and for change. Standing order 16-A proposes that there be a committee on procedure, presumably made up of the four party house leaders, which would meet

usually on Mondays and Wednesdays but in any case at the call of the Chair.

This piece about the quorum is really most interesting. The quorum is to consist of the member or members who happen to be present. Mr. Speaker, we met in camera, I know, but once the meetings are all over surely what is in the minutes of the committee becomes public property. I must say that when I saw the first draft it read that the members present should constitute a quorum. The President of the Privy Council (Mr. Macdonald) said he wanted it to read "member or members". I confess that I laughed. I thought he was joking. But he was serious. He said he wanted it written in that way in order that members of the opposition parties could not make this committee ineffective by boycotting its meetings. But the hon. member for Grenville-Carleton stood up this afternoon and said it was inconceivable that opposition house leaders would not co-operate in this new regime. He said it was inconceivable that any opposition house leader would not come to these meetings and try to work things out. If it is so inconceivable, why cast this reflection on opposition house leaders by suggesting that some of them are going to boycott this whole affair and that the proceedings of parliament will bog down?

• (5:50 p.m.)

I suggest that this provision simply cannot stay there. I would like to see the whole of 16-A thrown out, but if it is going to stay some changes will have to be made. One is this business about the quorum consisting of the member or members who happen to be present. The Leader of the Opposition said that the President of the Privy Council could hold a meeting in the morning while he was taking a shower.

An hon. Member: And throw the baby out with the bath water.

Mr. Knowles (Winnipeg North Centre): Somebody says, "and throw the baby out with the bath water," but it was a shower that the Leader of the Opposition was talking about.

There is another item in that rule that will require a little more consideration. Farther on there is a reference to the distinction between reports made unanimously and reports that are not unanimous. Mr. Speaker, can you not see an interesting point of order arising some day if this recommendation goes through?

[Mr. Knowles (Winnipeg North Centre).]

The government house leader comes in and says: "This motion is made pursuant to a unanimous decision of the committee." We, the other three house leaders, get up and say, "Oh, unanimous? We weren't there." But he says he was there, he was the quorum.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): We will have no corroborative evidence, but he will ask us to believe that he agreed with himself. So we have a unanimous report brought in by one member of a four member committee and whatever he proposes has to be decided immediately without debate. The only possible delay there can be is that if ten of us stand up and object we can have a recorded vote. I suggest, Mr. Speaker, that this way of dealing with the business of a free parliament goes even beyond the ridiculous.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): The hon. member for Grenville-Carleton has a nice way with words. You know, Mr. Speaker, when he got to this point today wasn't it lovely the way he put it? He said: If there is a breakdown, a disagreement among party leaders, then of course the government must be confronted with its responsibility.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): You can't beat it, Mr. Speaker. What he was really saying was that in the final analysis they control parliament, in the final analysis they are the masters of the house, in the final analysis they over there have the complete say and the opposition can go jump in the lake.

The rest of this proposed standing order 16-A is quite clear. The house leaders meet. If there are occasions when they are in agreement then under this rule, of course, their report is brought in on a Thursday and there can be no debate. The house decides on it right away. We accept that. If there is agreement we think this is the way it ought to be done.

One of the things lacking in recent years is that it has been possible for the house leaders to reach agreement among themselves but there has been no way to give effect to that agreement so far as the business of the house is concerned unless that agreement has been made an order of the house by unanimous consent. As a house leader I recognize the responsibility that will go with that position when a recommendation of this kind is going

through. All of us holding the position of house leader will have to know pretty well the thinking among the members of our parties, and we will have to do some arguing with the members of our parties as to the things we think should be agreed to. We are prepared to accept that responsibility but, Mr. Speaker, that is the way parliament ought to be run, by all of our members through their representations, the house leaders, accepting the responsibility of organizing the work of parliament. Parliament should not be run by one man supported by a majority over there saying how things should be done.

The Leader of the Opposition made a reference to the fact that assurances might be given that this rule would not be used in its extreme. I am afraid these assurances will not have any value so far as I am concerned. You see, Mr. Speaker, during the course of our committee proceedings a proposal that was made at one time was that all second reading debates be limited to one day, and at another time the proposal was made that all third readings be decided without any debate. When you have people with that frame of mind toward parliament you do not put a rule like this in their hands.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): One of these days a complicated, omnibus bill will be coming forward from the Minister of Justice (Mr. Turner). Under the new rules it would have a second reading debate, go to a standing committee, and come back to the house for a report stage debate and third reading. It is a contentious bill and you know, Mr. Speaker, that lots of things can happen. I imagine that at the report stage of that bill there may be 40 amendments for Your Honour to sort out, select, and so on. Let us say that the government house leader thinks that too much of this sin called debate is going to take place. I am going to the extreme, Mr. Speaker. I am going to the *reductio ad absurdum,* but it can happen with this government. He can bring in one of these unanimous reports if he has met alone, or in the event that the rest of us are not in agreement with him, and then we can have a two hours debate on his recommendation. He recommends a one day debate on second reading of this omnibus bill and that it go to committee, that the committee have two days or three days, that the report stage last for one hour, and that third reading take half an hour. The one hour on the report stage will save Your Honour the problem of sorting out the 40 amendments.

I know I have stated this in ridiculous terms, but that is possible under this proposed rule, and in that same motion based on his unanimous recommendation the government house leader could make proposals for every other item appearing on the order paper.

I do not suppose we will get to this omnibus bill until after the Christmas recess, if we have a Christmas recess, but by that time there may be a measure on the order paper to sell Air Canada to C.P.A., and that could be covered in the government house leader's motion, giving us no real opportunity to fight it. By that time the Minister of National Health and Welfare (Mr. Munro) may have completed his review of social legislation and we may have legislation on the order paper concerning old age security and family allowances. These can be included in the government house leader's motion also, and all we have is the right to debate it for two hours, with speeches limited to 20 minutes, and then the vote is put.

This is a rule that we cannot stand for. I hope that the government will listen to reason and will agree that it has to be changed. We do not enter this debate with any desire to keep it going forever and ever, to prevent our getting out of here for Christmas week and that sort of thing. We are not starting a filibuster. We are not daring the government to bring on closure. We are making this protest because we believe debate in parliament is valid, and if we can make our case for the deletion of the proposed standing order 16-A, or its improvement, we hope the government will give consideration to it. Therefore, Mr. Speaker, we in this party support the amendment which has been moved by the Leader of the Opposition.

I have some suggestions I want to make about standing order 16-A as to ways in which improvements can be made, but perhaps I can keep Your Honour guessing until eight o'clock as to what those suggestions are.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to standing order 39A, to inform the house that

the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Frontenac (Mr. Dumont)—External aid—Increased aid to French-speaking countries; the hon. member for Renfrew North (Mr. Hopkins)—C.B.C.—Protest against program respecting Algonquin Park; the hon. member for Halifax-East Hants (Mr. McCleave)—Broadcasting—Inquiry as to request for tapes of news broadcasts.

It being six o'clock, the house will now proceed to private members' business as listed on today's order paper, namely private bills and public bills.

[*English*]

PRIVATE BILLS

THE CANADA TRUST COMPANY

Mr. D. Gordon Blair (Grenville-Carleton) moved the second reading of Bill No. S-6, respecting the Canada Trust Company.

He said: Mr. Speaker, the Canada Trust Company is a well known Canadian financial institution. It was incorporated in 1894 by an act of the parliament of Canada. Its original capital was set at a maximum of $500,000. In the year 1899 this company became a wholly owned subsidiary of the Huron and Erie Mortgage Corporation. The amount of authorized capital was increased at that time to its present maximum of $5 million, all of which has been issued and outstanding for some time. The company was given the additional power to receive money on deposit by an act of parliament in 1922.

• (6:00 p.m.)

The growth of the role of trust companies generally in Canada's economy has been accelerating by almost geometrical progression, and the growth of the Canada Trust Company has been keeping pace. When the parent company, the Huron and Erie Mortgage Corporation, reached its 100th birthday in the spring of 1964, the total assets under the administration of the Canada Trust-Huron and Erie organization passed the $1 billion mark. This year, as a result of internal growth and acquisitions, the total assets under administration will pass the $2 billion mark.

One of the major functions of the company is the acceptance of money in trust through guaranteed trust certificates, or guaranteed deposit certificates, for investment. At present the Trust Companies Act limits the amount that may be borrowed by any trust company, together with moneys entrusted to it for investment the repayment of which is guaranteed by that trust company, to a maximum of 15 times the excess of the assets of the trust company over its liabilities. Notwithstanding a conservative policy of retention of a substantial portion of its annual earnings for growth purposes, the company anticipates that this internal generation of reserves will not be sufficient to provide for the expected growth in borrowing and acceptance of public money for investment arising from its expanding business, and the company finds itself in a position where all the existing capital has been subscribed for and issued for many years, while at the same time it is faced with a need for increased capital by the issuance of further shares.

The expansion of the services of the Canada Trust Company, with 56 branches and being licensed to carry on business in eight of the provinces of Canada and in the Yukon territory, has been accomplished partly by acquisitions and partly by internal growth, and while no further acquisitions are contemplated at the present time it is clear that additional capital is presently and will in the future be required to enable the company to play its full part in the growth of the economy. For these reasons the Canada Trust Company is seeking the present legislation to increase its authorized capital to $20 million.

I do not wish to infringe on the rules of order, Mr. Speaker, but it will be noted that on the order paper the next bill to be presented is one to amend the charter of the Huron and Erie Mortgage Corporation. In view of the interest that has been expressed by hon. members of this house in the ownership of financial institutions, perhaps I might be permitted to make one comment about the Huron and Erie Mortgage Corporation which, as I said earlier, is the parent of Canada Trust. The Huron and Erie Mortgage Corporation is a company which is almost 100 per cent owned and controlled by Canadian shareholders. As it is the sole owner of Canada Trust, it can be said that the Canada Trust Company is a wholly owned Canadian corporation.

I hope it will be possible for hon. members to accord rapid passage at the second reading stage of this bill and the one relating to the Huron and Erie Mortgage Corporation. The officers of these companies would then be able to appear before the appropriate committee of this house to give full answers to questions that may be asked and further explanations of the matters which I have raised during my brief remarks.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we appreciated the remarks of the sponsor of this bill, particularly in view of the fact this company is, as he stated, a Canadian-owned company operated by Canadians. Many things have been said in the past few months regarding private corporations in Canada and the fact that Canadian capital is not available in our financial community to develop corporations. It has been said on many occasions that it has been necessary for hon. members to sponsor foreign-owned companies. Therefore the history of this company is exceptional and the state of its financial report would indicate that it has had absolutely no difficulty in finding money and no need to ask parliament to allow it to increase its capitalization. It is now asking parliament for authority to increase its capitalization by almost four times.

I went to the library to find out who owned this company and its genetic background. I was surprised to learn that this was a rather exceptional company, or at least an exception to the general rule, in that the mortgage company owns the trust company. The situation is almost always the other way round. Usually the trust company owns the mortgage company and in many cases has numerous other companies under its control. There is probably some significance in this fact although it escapes me, not being very skilled in the field of economics.

It was interesting to note in looking up the genetic background of this company that it started from a mortgage company rather than a trust company. I am interested in what appears to be a phenomenon in this regard. It appears to have been highly successful for a century in a field in which many other companies have failed. A number of companies have gone bankrupt and, between you and me, Mr. Speaker, it is fortunate that this company was not among them.

This company has the name "Canada Trust Company". This name may carry a certain amount of prestige or an intimation of government support, at least in the minds of the public, because of the word "Canada ". One might guess that this company was owned by General Finance, Avco, the Delta Corporation or any other major financial corporation which used the name "Canada" to its advantage but our detriment.

I was surprised when reading the reports from the other place to note the interest of senators in the ownership of this organization. I was surprised to find that certain senators questioned the legitimacy of this company expanding its financial position, mainly because it was not known whether it was foreign owned. Mr. Humphrys was quite definite in his understanding that there was no foreign control of this trust company.

We are all familiar with the pattern of the history of these companies. It seems to me that the history of this company in comparison with other companies is reversed. It seems to have wanted to establish a bank to obtain the financial resources that would allow it to lend money through the finance company rather than the bank itself. The method being used at that time is probably not necessary now because of the increased bank rate of interest which in some cases surpasses that of the finance companies in their lending programs. On a number of occasions finance corporations have come to parliament to establish banks. Therefore I fail to see the significance of bank ownership of this trust company. I think the fact this corporation is owned by a mortgage company would further complicate the matter.

• (6:10 p.m.)

The company is seeking to increase its capitalization from $5 million, as it has been since the turn of the century, to $20 million. The company, of course, started out with a smaller capitalization in 1894. At that time it was only $500,000. I think this is an indication that there is a role for Canadian owned trust companies. It is a role legitimately being played by this company. It has been supported to the extent of increasing its capitalization tenfold and it is now asking for it to be increased by $15 million.

The sponsor of the bill has pointed out that borrowings are limited by law to 15 times the excess of assets over the liabilities. I presume the relationship between assets and liabilities will vary not necessarily in relation to the capitalization of the corporation but according to the type of loans it makes and the call made on particular mortgage fields. To some extent it will also vary according to the portfolios the company holds. I suggest that the portfolios held by Canada Trust Company are very significant. They have total demand notes as of December 31, 1967, of $1,296,333. Changes since 1966 amounted to $1,153,667. This indicates a very large turnover. In addition they hold a great number of shares in many corporations. I am sure those interested in accumulated investments of one type or

another or mutual funds would, after looking at this list of portfolios, consider they had made a very good investment. I am surprised at the stability this company has had in the portfolios they hold. For instance, they hold 10,000 shares of the Bank of Montreal. There was no change in this portfolio. This is just one stock. The same thing applies to the other stocks held by the company.

I figured it out the other day for my own satisfaction. I think this is a very wise way to play the stock market. If I had bought Bank of Montreal stock a couple of years ago to the tune of 100 shares at $75 each, I would have invested $7,500. I calculated that with the split of that bank's stock and the dividend they have paid, which was about $1.50 a share last year, and multiplying by five times to cover the five shares for one, a person would in one year have made about $4,600 on a $7,500 investment. That is not bad business when you are playing with bank stock.

I point this out to illustrate that with this type of portfolio the assets have increased so rapidly over the liabilities that the balance of 15 to 1 is probably providing them with even more than the amount mentioned by the sponsor of the bill. I gather that in 1964 the assets amounted to $1 billion and in 1968 they amounted to $2 billion. When you consider just one item you realize that 10,000 shares would amount to about—well, Mr. Speaker, it is a very large amount of money in any event. It is not really the kind of calculation I make when I am pretending that I have bought some stock on the market.

This company holds a portfolio of 25,000 shares in Seagrams distillery. They increased the holding by 15,000 shares last year. They hold 30,000 shares in John Labatt. That is not bad stock, either. In Hiram Walker they hold 20,000 shares. That is not bad, if the government does not start playing around with the liquor tax. The company sold their 3,000 shares in Canada Cement. That was probably good business because the monopoly in the cement field seems to be disappearing. In respect of chemicals they bought an additional 3,000 shares in Du Pont of Canada. and now hold 6,000 shares in this corporation. They hold 5,000 shares in Union Carbide. In the field of finance they hold 15,000 shares in Industrial Acceptance Corporation. In regard to food they have some 9,000 shares in Canada Packers and 10,000 shares in Maple Leaf. In the field of heavy industry they hold 15,000 shares in Algoma Steel, 25.000 shares in Dominion Foundries, and 25,000 in the Steel Company of Canada.

[Mr. Peters.]

Reading this list hon. members will also be surprised, as I am, by the number of shares they have bought in Canadian corporations. I could read the names of the board of directors and probably find a reason for this. This company has also bought shares in the mining fields, in Cassiar Asbestos, Cominco, Falconbridge Nickel, Hollinger Consolidated Gold, International Nickel, Kerr Addison, Noranda Mines, Pine Point and Rio Algom. These companies, including International Nickel now, are mainly Canadian owned and pretty well Canadian controlled.

Canada Trust holds shares in B.A. Oil, Canadian Superior Oil, Dome Petroleum, Hudson's Bay Oil, Imperial Oil and Texaco. In the field of public utilities they hold shares in the old, reliable Bell Telephone Company, which Bell will tell you is Canadian owned and controlled. Incidentally, Bell Telephone is asking for an increase in the amount paid by subscribers for the service, and I suppose that will give this company a little more to bid on. The company also holds shares in Calgary Power, Consumers' Gas and International Utilities. In the field of pulp and paper they hold shares in Abitibi Paper, B.C. Forest Products and MacMillan-Bloedel. Under the heading "Miscellaneous" they hold shares in the C.P.R., Dominion Textile, Moore Corporation, Southam Company and Westcoast Transmission. In American equity funds, they have 341,461 shares in U.S. Equity. This would strike me as being an American-owned company, but the main reason for my impression is the fact that the name indicates it is American. If you look at all the companies that are called Canadian but are owned by Americans you realize that this does not mean much.

• (6:20 p.m.)

On reading this list I am impressed by the fact that most of the companies are Canadian owned. I think this makes our point. We have been saying for a long time that in Canada there is money for investment in a reasonable company, and there is money available for investment by these companies. We have been saying that a company owned and controlled by Canadians normally resident in Canada will in turn invest in other Canadian companies. I suggest that those who have been so willing to support U.S. companies because, as they have said, we need U.S. capital, should look at this company and take an interest in it. It seems to me that this is the kind of company that we should support. It is owned and controlled by Canadians and

it will invest in the Canadian scene. I suggest it is a good company.

Whether or not this company needs to be expanded, I am not really qualified to say. If it were a U.S. company I would say we should not let it expand, but since it is a Canadian company I cannot say for sure. I was interested in hearing the remarks of the superintendent of insurance, for whom I have great respect. His report seems to indicate that the control of this company remains stable and that no effort seems to have been made to change that control. He also indicated that the only purpose of this bill is to allow for the expansion of the company. He really has no objection to the Huron and Erie Mortgage Company owning this company. He assured the committee that they are paying income tax separately and that there is no hanky-panky between the two companies so far as the Canadian government and the insurance branch are concerned. Therefore we can give it a fairly clean bill of health.

I am in favour of this type of company. As we have been trying to convince hon. members for a long time, this is the kind of company which would bring about progress in the investment field. It is a fact that there is more money available from Canada for investment in the United States than there is coming the other way, and the fact that this company has been able to raise its assets from the original capital of $500,000 to $5 million is an indication that we in Canada have the necessary financial ability and backing and that we are capable of developing along the proper line. With a slight amount of assistance from the government there is the necessary capital in this country to do this type of development in other Canadian enterprises.

I have listed some of the companies in the primary industries of Canada such as banks, breweries, construction, chemicals, food industry, merchandising, mining, public utilities, oils and the pulp and paper industry. We have been able to contribute to these industries through the purchase of their stock. By accumulating this kind of Canadian asset we have been able to do business as does a trust company in making loans.

While we wish to use this company at the present time for the purpose of convincing other companies interested in developing and expanding in Canada, it is our hope that this company will eventually be able to make the changes it desires and that after being established in Canada for 100 years it will be able to continue its business and to convince other Canadians in other fields that to own and operate a Canadian company in the field of mortgages and loans is a worth-while and lucrative proposition.

Mr. Mongrain: I rise on a point of order, Mr. Speaker, and I do so for the sake of the record of the proceedings of the house. I should like to point out that there is not one Conservative member in the house and in fact there has not been for the past half hour.

Mr. Deputy Speaker: That is hardly a point of order.

Mr. John Gilbert (Broadview): Mr. Speaker, it is quite true that there is not a great number of members in the house at present, but when I look across the floor and around me I realize at this time that quality is stressed rather than quantity.

When I heard the opening remarks of the hon. member for Grenville-Carleton (Mr. Blair) I was very impressed with his presentation. I might say that although he made a very eloquent presentation this afternoon it was not very persuasive.

To return to the point about quality, may I say that on looking across the way I see a banker. Since bankers are always interested in trust companies, I have no doubt that the hon. member, with his banking experience in the past, will rise and make some remarks with regard to trust companies because of the relationship that has prevailed between trust companies and banks. On looking across I also see the hon. member for Lanark and Renfrew (Mr. McBride) who is a minister and a theologian. As well as having been quite successful in the election on June 25 he has a deep knowledge of mortgage and trust companies since so many churches have mortgages on them and it is usually a trust or a mortgage company which holds them. I am sure that when he realizes the high percentage paid on mortgages he is made aware of the close relationship between banks and churches. I am certain he would like to rise and tell us about the close relationship that prevails between the two.

I also note the presence in the house of the Minister of Defence Production (Mr. Jamieson) who comes from a province which has had a spate of different churches moving in. They have done an excellent job with regard to education and have assumed an educational role which the province at one time was not prepared to accept. The minister has

made quite a name for himself in the communications field and he wrote an excellent book, part of which I happened to read and with which I was quite impressed. He certainly has made an excellent impression on the house and he does a good job in his field although he is restricted. I am glad to see he is here. Again I must say that it is the quality of the members of the house present that impresses me this evening.

Having prefaced my remarks I will now turn directly to Bill S-6 respecting the Canada Trust Company. As the hon. member for Grenville-Carleton said, it is a Siamese twin, and the other twin is the Huron and Erie Mortgage Company. The explanatory note in the bill reads as follows:

> The authorized capital of the corporation, the Canada Trust Company, and, in French, La Compagnie de Trust Canada, is presently limited to an amount not exceeding $5,000,000 divided into 250,000 shares of the par value of $20, all of which shares have been allotted and issued as fully paid and non-assessable. The corporation now desires to have additional capital available for issuance.

As I said, one could not help but be impressed with the opening remarks of the sponsor of this bill when he said that the company was incorporated in 1894 with a capitalization of $500,000 and in 1899 it became a fully owned subsidiary of the Huron and Erie Mortgage Corporation. The assets of this concern have been accelerating in geometric progression. This is an excellent phrase which could apply to the economic and financial progress of this company.

• (6:30 p.m.)

Then, he said that in 1964 the assets amounted to $1 billion and between 1964 and 1968 they increased to $2 billion. This business of the corporation embraces the issuance of guaranteed trust certificates, a general deposit service and other matters. At the moment the problem is that the internal generation of earnings is not sufficient to meet present day commitments in the capital field. They have 56 branches operating in eight provinces. More capital is required, and they would like their capital to be $20 million. As the hon. member for Timiskaming (Mr. Peters) said, he was more than delighted to know that this company was a Canadian company because the burden of our message since the commencement of this session has been the amount of ownership by United States companies that prevails here in Canada.

One would think that when a company such as the Canada Trust Company is applying for an increase in capitalization the

members of the other place would take a very keen interest. I noticed, as a result of reading the proceedings that occurred there when this bill was presented on October 16, that the proceedings covered less than two pages. This does indicate that there could not have been too much interest by the members of the other place in this very serious business of increasing the authorized capital of this company. Some of the questions that were asked seemed to be rather simple ones concerning the relationship of the company with the banks. No one really gets into the nub of the matter because really the crux of the situation is the need for a thorough understanding of the activities of trust companies, and their relationships with banks.

During the last session, Mr. Speaker, I had the privilege of being a member of the standing committee on finance, trade and economic affairs. At that time we had representatives from the banks and the trust companies appearing before us in connection with the proposed changes in the Bank Act. It was at that time I realized there are two types of trust companies. There are what are known as senior trust companies and junior trust companies. If I recall rightly, the attack by the officials from the banks was on these near banks. They said these trust companies were invading the jurisdiction of the banks, so the banks had to have some protection against them. The banks were convincing in their representations, first of all to the minister of finance of that time, now Secretary of State for External Affairs (Mr. Sharp), and then to the members of the committee, so that they were successful in having the 6 per cent ceiling in the Bank Act lifted. The result of this move was disclosed last week when the banks revealed that their earnings and profits for this year exceeded a maximum of 48 per cent, for the Royal Bank of Canada, and went down to about 20 per cent for the junior banks.

One would think that the junior and senior trust companies would demand an immediate inquiry because at that time the villain in the piece was the banks. Now, it is quite true that trust companies have made a modest record with regard to their earnings, but it does not compare for a moment with the earnings of the banks. Another more important issue relates to the activities of trust companies. When we think of trust companies, we think of a company or group of men who look after the estates of people and also perform corporate duties. They issue investment certificates. They also issue debentures

for the purpose of raising capital. In this battle between trust companies and banks, there has been a continuing friction with regard to the cashing of cheques; the competition has been very keen. Many trust companies refuse to cash cheques that are issued by banks, but more important some banks are refusing to cash cheques that have been issued by trust companies. This indicates the stress and strain of competition between these two major institutions. This is why I must say that I would have hoped the hon. member for Grenville-Carleton (Mr. Blair), rather than sponsoring these bills, would have impressed upon the Minister of Finance the necessity of bringing these financial institutions back to parliament for a review of their activities. This is the important feature. When it comes to the economic affairs of the country, it is the financial institutions that form the basis of the economic activity in Canada.

When I heard the impressive investment portfolio of this company set forth by the hon. member for Timiskaming, I realized that it is not only bank shares, but it is the shares they have in some of the other important companies in Canada. This capital that has been accumulated by the people of Canada and entrusted to these financial institutions forms the economic basis for the economic growth of Canada. I say therefore that we need a constant review of our financial institutions in Canada. I was hoping that the hon. member for Grenville-Carleton would really direct his remarks to the Minister of Finance and ask for the reconvening of the standing committee on finance, trade and economic affairs so that the officials of banks and trust companies could be brought before that committee again in order to review their activities in the light of the changes that were made in the Bank Act. It is possible that the trust companies may be in a worse position than the banks. I think the trust companies do perform a function in this society, and although I may not agree with it, I think it is very necessary. When one realizes that the banks are able to increase their credit by eight and a half times the amount of deposits they have on hand, it becomes apparent that the trust companies may now be in a worse position than the banks.

Having said that, I would point out that there was a very interesting debate in the committee with regard to the expansion of money. Our friends from the Ralliement Creditiste put forth a very impressive argument with regard to the many services of the banks and the expansion of credit. We heard the members of the Ralliement Creditiste state that Canadian banks had expanded money eight and a half times, and this is not true of the trust companies. Again, this is partly the result of the restriction imposed on their credit. I say therefore that the trust companies should not be in any worse position than the banks. I think in the near future banks will be carrying out corporate duties and doing what the trust companies are doing now in regard to setting up trusts and financing various matters. They will be issuing debentures. In fact the banks were given authority to issue debentures for the purpose of increasing their financings. In all probability banks will be administering estates. So having criticized the banks for their preferred position in regard to expanding credit, I feel that in future banks and trust companies will be on an equal footing and that both will administer estates, carry out corporate duties and issue income certificates and debentures.

• (6:40 p.m.)

Having laid the groundwork for establishing equality between these two types of institution, it behooves me to say that there must be common regulations applying to both. Although I should like to support the bill that is being presented, which seeks permission for the development of this particular company, I am reluctant to do so because I feel a review of these financial institutions should be carried out.

It this regard perhaps I should relate a few experiences that I have had with trust companies. The Canada Trust Company, which has as its parent the Huron and Erie Mortgage Company, does a fair amount of mortgage financing. Many people in the area in which I live, which is Toronto, have approached the Huron and Erie and the Canada Trust for mortgages. Canada Trust is like every other trust company in that it is interested in increasing its profit. At the moment the prevailing rate on mortgages charged by Canada Trust, I would think, is between 9 and 9¼ per cent.

I might also point out that this company has placed quite a few mortgages on church buildings. If a church has to pay an interest rate of 9 per cent on a mortgage, which might be as high as $50,000, then this is an illustration of the financial burden that falls on church members who wish to build a new church.

But more important than this, Mr. Speaker, my concern is with the percentage of the

company's investment portfolio that is devoted to mortgages. When I became aware of the diversity of common shares and equities in which the Canada Trust Company invests, I thought I would receive some information in this regard. The housing crisis in Canada today can be laid at the doorstep of financial institutions that by and large have directed their investment moneys to equities, rather than assuming responsibility for supplying mortgage money in Canada.

I should like to say to the hon. member for Grenville-Carleton that if this particular company would increase the percentage of its investment portfolio that is directed into the mortgage field, then I would be very impressed.

Mr. Benjamin: And lower the rate of interest.

Mr. Gilbert: Yes, Mr. Speaker, as one of my colleagues points out, if it also lowered the rate of interest. The money derived therefrom is the savings of the Canadian people. It does seem rather odd that people invest money in trust companies at an interest rate of 4 or 5 per cent and then borrow money to build a home at a rate of something like 9 or 9¼ per cent; but this does happen.

Mr. Blair: Mr. Speaker, may I have permission to ask the hon. member a question?

Mr. Gilbert: Certainly.

Mr. Blair: I wonder whether the hon. member has been able to ascertain to his satisfaction that rates of 4 and 5 per cent are indeed paid on deposits and that rates of 9 or 10 per cent, that I believe he quoted, are indeed charged on mortgages. Would he not agree with me that perhaps these are questions which could be better explored in committee with the officials of the company?

Mr. Gilbert: I should like to thank the hon. member for asking that question because I would not want to mislead him, or indeed any member of the house. I just wanted to indicate that such interest rates are charged. I know that the rate on guaranteed income certificates has been ranging between 5 and 6 per cent. Due to the enormous increase in rates generally, it is very difficult to keep interest rates on mortgages down. I think earlier I mentioned rates of between 9 and 9½ per cent, because those rates have been charged in my experience. But my main point concerns the direction given moneys that are received from Canadians it is what these companies do with such moneys that causes me anxiety. That completes my remarks, Mr. Speaker.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, as a new member of the house I should like to say that so far this debate has been most illuminating and extremely fascinating to me. All of us need to explore this whole field of finance a great deal further since over the past few years there has been a number of crises which were financial in nature, not only at the national but also at the international level. I think that on any occasion when a bill of this nature comes before the house we should do all in our power to have not only a debate of quality, as pointed out by my colleague from Broadview (Mr. Gilbert)—and I agree with him that in this case the quality has been high—but also a debate that has more quantity.

I disagree with him when he says that there are sufficient people present in the chamber. I did not make a point of this earlier, Mr. Speaker, because I did not want to raise this issue while we were discussing this most important matter, but there were at one stage fewer members present than the number required for a quorum in the house. I think that if the general public were to learn that a matter of such importance as this interests so few members, they would express concern.

A little while ago, assisted by one of my colleagues more able in arithmetic than I, I took a count and ascertained the percentage of the members of the New Democratic party who were present for this debate. Compared with the other parties in the house, our percentage was the highest. This party had 24 per cent of its members present.

The Acting Speaker (Mr. Béchard): Order. I do not think the remarks of the hon. member are pertinent to this debate.

Mr. Rose: With respect, sir, if I may be allowed to complete my point, the N.D.P. had 24 per cent of its members present, the Liberals 8 per cent, the Créditistes 12 per cent, and less than 1 per cent of the members of the official opposition were present.

• (6:50 p.m.)

Mr. Bell: Mr. Speaker, as a matter of privilege, I consider myself more than 1 per cent.

Mr. Rose: I accept the hon. member's remark. Perhaps I rang the wrong bell, and I

apologize to him. No hon. member in this parliament ought to be considered as representing less than 1 per cent of anything, no matter where he sits in the house.

I congratulate the hon. member for Grenville-Carleton for his detailed presentation and his diligent research into this matter. We all welcome receiving this kind of information; I think it behooves all of us to learn more about the companies operating in Canada. This firm is known as the Canada Trust Company. There is something warm and conforting about the word "trust". It encourages trust, something we need in all business dealings. On the other hand I notice that this company is to have dealings with the Huron and Erie corporation, and the word "eery" is not nearly as comforting as "trust". Be that as it may, I should be obliged if the hon. member for Grenville-Carleton, whose background in mathematics seems a lot broader than mine, could elaborate on the differences between geometric and arithmetic progressions, since those terms sounded very formidable to my ears.

I notice that the assets of the company in the past four years have grown by $1 billion. I think its directors are to be congratulated. As a Canadian owned company it merits the support of hon. members of the house, especially if its business is of benefit to the people of Canada. Although trust companies by the very nature of things must pursue profits, there is no reason why their activities should not be in the best interests of our people in developing a stronger Canada. They do much worth-while work as executors of many estates, and acting as trustees for beneficiaries. I think that there ought to be no doubt about their integrity, acceptability or sincerity so far as business dealings are concerned.

These qualities have not always been present. For example, in recent years a number of companies, among which British Mortgage loomed large, did not act in a manner that was in the best interests of Canadians. I receive letters regularly from a constituent of mine who is a beneficiary of an estate held or administered by the Royal Trust Company in Montreal. Her major complaint is the interminable delay she is experiencing in having this company settle a rather complicated estate. She and her husband are elderly, and she feels that the company is not acting in her best interests. Apart from instituting legal action there is little she can do to solve her problem.

Current newspaper articles reflect the concern people feel about our financial institutions. In this regard I wish to quote from an article printed in the *Financial Times News Service*. It is headed "Corporations protest investment regulations", and was written by Judith McMahon. The body of the article says in part:

> The government has at least introduced legislation to protect the public from losses created by the collapse of overextended financial empires like Atlantic Acceptance Corporation.
>
> But the sweeping powers to inspect and regulate investment companies proposed in the government bill have stirred up a howl of protest in the business community.
>
> Bill S-17, quietly introduced in the Senate weeks ago, is intended to prevent recurrences of financial collapses like Atlantic and Prudential Finance Corporation, which between them caused $75,000,000 in savings to be wiped out, a few years ago.
>
> But many corporate executives claim that the legislation reaches far beyond what is necessary to safeguard the public against such financial failures. It would give a federal official, the superintendent of insurance, the power to oversee and investigate the operations of any company which borrows money from the public and invests 25 per cent or more of its assets in stocks, bonds or other debts.

It appears to me, sir, that this is the kind of thing this company is asking permission to do in its expansion program. I continue quoting:

> The act is aimed primarily at the finance and acceptance companies which up to now have not been regulated by the government. But the definition of investment company goes far beyond the finance industry. It would include many industrial and commercial companies with large investments. It is thought it would apply to conglomerate companies and to holding companies.

In conclusion may I say that I was most impressed by the number of distinguished Canadians on the company's board of directors. I wanted to read out the list but have no time for that. Instead I wish to ask several questions.

Apparently about 1,400 shareholders have contributed toward a capitalization of $2 billion. If this bill is allowed to pass, who will be able to buy shares in this company? What is the extra capitalization to be used for? More particularly, will it be possible for foreign owned firms to buy into this expansion?

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion for Concurrence in Report

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade and economic affairs.

The Acting Speaker (Mr. Béchard): It being seven o'clock I do now leave the chair.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed consideration of the following motion (Mr. Blair):

That the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in.

And the amendment thereto of Mr. Stanfield.

Mr. Knowles (Winnipeg North Centre): In my remarks prior to six o'clock, Mr. Speaker, I had endeavoured to make it clear that we in this party are strongly in favour of procedural reform, and in particular that we think the major area in which we need to deal with our rules is that which concerns the use of time. We support most of the proposals which have been made in the reports of our special committee, because for the most part they are directed to that very problem. I hope I also made it clear that we are not entering upon this debate as though it were so much fun and games, but rather that we want almost all of the proposed rule reforms to become part of the standing orders of this house.

I made it equally clear that there is one proposal in the fourth report which we regard as iniquitous, inasmuch as it is inimical to the whole parliamentary process and that, like the Leader of the Opposition (Mr. Stanfield), we are determined that standing order 16-A in its present form at least shall not find a place in the rules of this House of Commons.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I might take a moment longer to say there are certain specific objections to this rule. First of all the whole idea that a committee of four can function with the attendance of only one person is opposed to every concept of the democratic process. Likewise, the suggestion that in a committee of four the will of one, even though the other three are opposed, can be brought forward as a report from that committee is unthinkable. If there is nothing else to be said about it, that is contrary to the spirit of the section in the British North America Act which says that decisions of the House of Commons are reached by a majority of the voices, not by a minority of one.

We are also opposed to the way in which standing order 16-A would work, because placed in the hands of the government house leader it could amount to closure in advance. I want to make it clear that we do not object to the planning in advance of the business of the house, when that planning is done by agreement, and particularly when it is done by unanimous agreement. But there is all the difference in the world between advance planning by way of agreement as to the use of time, and the right of the government house leader to bring in a proposal which imposes a limitation of time in advance applicable to all members of the house. If this rule goes through, there is certainly no point in retaining standing order 33, the old closure rule which was imposed on parliament back in 1913, because it will be tiddlywinks compared with the authority the government house leader will possess.

I should like to point out also that if this change is put into effect it must be for a purpose. And I know what that purpose is. It is to shorten the debates which take place on the floor of the House of Commons. The government's hand has been shown. The government believes in short debates—one day debates—and this is something the extension of which I believe we ought not to stand for in this House of Commons. Better have no debate at all than any more of these one day debates which amount to nothing more than a round of statements by party leaders or front bench spokesmen. As for the backbenchers on both sides of the house, they might as well go home.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): According to this process of thinking, all the backbenchers need to do is give power of attorney to the front benchers to vote on their behalf from time to time to approve the government's programs.

I believe there is still something to the concept of debate. I hope we shall put it into

practice in this very debate—that it will not be just a case of attrition, or the use of closure. I hope the government will be responsive to the arguments put forward. I am delighted to hear that the Prime Minister (Mr. Trudeau) himself intends to take part in the debate tonight, and I hope he will demonstrate that he has listened to the remarks of the Leader of the Opposition, and indeed that he has listened to mine. I thank him for the courtesy he has extended to each of us in staying through these speeches this afternoon and this evening. My point is that if this proposed change in the rules makes for a series of one day debates it will have destroyed the whole character of parliament as a forum where matters are thrashed out in the cut and thrust of discussion.

There is another point. No government which is in power for four years, however large its majority, has the right to change the basic nature of this institution. If I may put it in the simple terms I used half an hour ago when the President of the Privy Council (Mr. Macdonald) and I shared the spotlight on a television program, the present government has been put in charge of the store by the people of Canada for four years. But they do not own the store; they do not have the right to change its basic nature.

This house is basically a debating institution. The government is still the executive; the government still proposes the legislation. But we have the right, by debate, to decide whether or not that legislation should be put into effect. I urge the government to realize that it does not have the right to change rules which are fundamental. Most of the revisions of the kind we have dealt with in our reports are not, but this proposition concerns something basic, namely, the right of the majority to say to backbenchers on either side: You will get your right to represent your constituents only when the government house leader thinks there is time for you in the schedule he dictates.

• (8:10 p.m.)

So, Mr. Speaker, I go along with the proposition that there is an obligation on the part of all of us to organize and plan our time. That means that there are responsibilities on the opposition side as well as on the government side. But I deny absolutely the right of the government, just because it is a majority government, just because it says it has a mandate, to deny to members on either side the right to exercise the thing that is basic to all who come here, namely the right of free speech on behalf of the constituents whom they represent.

Lest my time run out before I get to the suggestions which at six o'clock I said I would make, perhaps I had better come to them now. I indicated earlier that we of the New Democratic party will support the amendment that was proposed this afternoon by the Leader of the Opposition (Mr. Stanfield), but I hope that he will not feel that two or three suggestions I am going to make are contrary to the spirit of that amendment. I hope that amendment will be accepted by the government so that this matter can go back to the special committee for further consideration.

Now I am going to suggest one or two other ways that this problem might be solved. I do not move them as a subamendment. I do not put them forward in any firm way but as points of negotiation. If we can be reasonable and responsible about this, I wish to say there are three main things that are wrong with the proposed standing order 16-A—if we are going to have it at all.

The first is the notion that one man out of four is a quorum. Surely nobody can defend that. The second is that one man, although overruled by three, can still put forward his motion as though it were the report of the committee. I know that the standing order is worded to imply that he can do one of two things. He can either bring in a report of the committee, or a motion after there has been consultation with the committee; but, in spirit, what that part of the new rule permits is for one man to be overruled by three and yet come ahead with his recommendation.

The other thing wrong with the rule is the permission contained in it for the government house leader, in one motion, to make any arrangement he wishes covering the time to be allocated to or the disposition of any item or items of the business of the house or any of its standing committees. Mr. Speaker, if I may borrow the word used by the Leader of the Opposition, that is the most horrendous part of it all.

The government house leader tells us it is the government's plan to get to the point where at the start of a session all its legislation will appear on the order paper right away. That did not happen this session, although we were given a list of proposed items. But look at what could happen. The government could put on the order paper 15, 25 or 50 items of legislation and on the first Thursday of the first full week's sitting the

government could bring in, in one motion, a provision regarding the time for each and every one of the 15, 25 or 50 items on the order paper.

Before you know it there could be a motion providing one day for each second reading, or providing one hour for each of five items in one day. It could provide for time in standing committees, that that time would be one day each, or even less than that. It could provide for report stage and third reading to be one hour each. Oh, this is efficiency, Mr. Speaker, efficiency gone mad; but it is possible under this provision. I say that the most horrendous part of it all is this right to include any kind of arrangement having to do with the disposition or allocation of time to any item or items of the business of the house or any of the committees of the house. Surely that has to be altered.

I suggest that there are some things which might be negotiated if we get this matter back to the special committee, if the government tonight decides that it will accept the amendment of the Leader of the Opposition. In the first place I think it should be made clear in the order that a quorum shall be a majority of the members of the committee. Let me come in a moment to the question of what should be the composition of the committee and how you determine a majority.

In the second place I think it should be made clear that no report can be made from that committee unless it is at least a majority report. In the third place I would be prepared to make this suggestion: that there be only two kinds of reports and that they be treated differently.

On the one hand if a report is unanimous, then it should be possible for that report to include two, three or four items. Maybe we should specify the number of items, but certainly it could be more than one, and if the report is unanimous it should be decided by the house without debate. But if it is a report that is only a majority one—

Mr. Speaker: I apologize for interrupting the hon. member in the middle of a sentence, but I would like to ask the house whether the hon. member has leave to go beyond his allotted time?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): I thank Your Honour and the house and I shall be very brief. I was saying that if the committee brings in a report that is not unanimous but only a majority report, then it should cover only one item of business, not the omnibus Criminal Code bill, the sale of Air Canada, and three or four other things at the same time; and in that case there should be reasonable debate. Maybe the two hours suggested is enough, maybe it should be a bit more. That can be negotiated.

I was speaking a moment ago about the majority. At the present time the committee consists of four members. I would settle for a majority of the four. In other words, that would be three. But if the government thinks that is too high and wants to negotiate it, maybe we could enlarge the committee by putting two government members on it and three opposition members, and then have provision for a majority to be three out of five. In that case in order to win its point the government would have to win the support of at least one of the opposition parties.

I have not told the other opposition parties that I was going to make these suggestions, Mr. Speaker. That is one reason I do not put them forward as a subamendment but rather as negotiable propositions. But I think surely among reasonable men, people who believe in democracy, who believe in section 49 of the British North America Act, who believe in the rule of the majority, who believe in negotiating and compromising, surely among people of that kind we can arrive at an acceptable formula for a proceedings committee that will plan the business of the house: And I mean, plan it.

This proposed standing order is not an order for planning the business of the house. This is a standing order for muzzling the house.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): This is a standing order which gives the government house leader the right to impose limitations that no free parliament could possibly accept.

As I said earlier, I am glad to hear that the Prime Minister (Mr. Trudeau) is going to take part in this debate tonight after my hon. friend from the Creditiste party makes his speech. I hope he will indicate that he has been listening earnestly to the proposals made from this side of the house. I say to him again that this is not fun and games. We are not trying to develop a lengthy debate. We are not trying to keep the house in session Christmas week, although if necessary we certainly will.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we consider that this is a very serious matter. We firmly believe that our rules need to be reformed. We think that the special committee, of which I had the privilege of being a member, has done a very good job. We think by and large that this package should be accepted, but we firmly believe that with this one single requirement in it the package is no good at all. It would so completely change the character of parliament that the institution would not be the same, and so, Mr. Speaker, we have to stand against it.

As the Leader of the Opposition has said, we are not reformers against non-reformers. So, Mr. Speaker, in the name of the reform we all believe in, and in the belief that we are all reasonable people who can work things out, I hope that the Prime Minister and the government tonight will indicate that they are prepared to accept the amendment, or one like it, so that this report can be sent back to the special committee where this standing order can be improved. If we can do that I think we will come up with a package that will make the performance of this house in this session, and in the sessions that lie ahead, the better performance that we all want it to be.

• (8:20 p.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my first remarks will be to congratulate most of all those who spoke before me and had the opportunity to express their views on the motion asking that the report of the committee on procedure of the house be concurred in.

I would like to congratulate in particular the hon. member for Winnipeg North Centre (Mr. Knowles) who certainly enlightened the committee during the discussions, as well as the government house leader (Mr. Macdonald) and the chairman of the committee with whom we had fruitful and satisfactory discussions.

There is no doubt that in this corner of the house and like the other house leaders, we are in favour of parliamentary reform and have proved it. In fact, when they came to the house in 1962, the members of the Rallie-ment Créditiste soon noticed that Beauchesne's Parliamentary Rules and Forms was in English only, and they badgered to government to obtain a French translation of the procedures of the house.

Several of our predecessors said that the procedures were archaic, outmoded and antiquated, but when we came here, we found that they were not available in French and we were the first to ask for a French version of Beauchesne's Parliamentary Rules and Forms. But after getting the French translation of Beauchesne, we had to work towards the improvement of the rules of the house. That is why I say this committee is extremely important, because what comes out of our discussions will be approved by the house and the new procedure that we will adopt, even if we hope that other amendments or changes will be made to it, will regulate the proceedings of the house.

We need not criticize the old procedure, since we are all agreed on rejuvenating it and we all admit that it is archaic and obsolete. I feel that it is imperative that we should change our parliamentary procedure this year in order to give the public a better image of the Canadian parliament. For several years—not only in the last ten years but even before that—the standing orders of the house gave the Canadian public the impression, on many occasions, that parliament had become a joke, because of the extent and slowness of discussions and the time it took to make decisions.

We must reform our parliament for another reason: because of the duties which are ours. Our responsibilities and the importance of parliament itself should keep us from reaching decisions lightly, especially taking into account the fact that the whole Canadian economy will depend on the legislation we will pass.

However, one must not think that parliamentary reform will solve at once the economic problem of Canadians. A better parliamentary procedure does not necessarily mean a better government, because a government is not judged merely by the value of the measures it adopts. We can have a better procedure and pass legislation more rapidly but, if the opposition is governed by a mediocre procedure, it can hardly do much better. This means that the government must introduce legislation that will meet the needs of the Canadian people.

Furthermore, parliamentary reform must not contradict democracy, and because we may have had archaic rules in the past, because we may have suffered from them, we must not, adopt an extremist attitude. If we modify the procedure in such a way as to allow other abuses, the house will suffer from them in the future. To my mind, parliamentary reform must, first of all, reinforce the role of members in this house, in this way that a member who is elected by the people—there are 264 of us—must be able to express

himself more easily and personally with regard to the decisions the government should reach. Indeed, parliament is the national forum of public opinion and if debates must be limited to a bare minimum on important legislation, we may reach a point where parliament will become again what it was formerly, that is a joke, from several points of view.

We accept most of the changes put forward today because they have been discussed by the majority of the house leaders. We accept, for instance, the one concerning the distribution of the time of the house. In fact, we must admit, as the chairman of the committee on procedure said this afternoon, that we only have at our disposal about 165 sitting days a year, including 8 for the address in reply to the speech from the throne, 6 for the budget, 28 for estimates and about 123 for legislation in general.

So the time of the house must be allotted; it was the primary objective of the committee on procedure. For that, we must shorten certain debates so as to divide the session into quarters, ending respectively on December 10, March 10 and June 30. We approve these changes, because they provide for an intelligent and logical allotment of time. They will enable parliament to know where it stands, but procedure will have to undergo other changes.

We are also in favour of eliminating the duplication of debates, that is for instance, to hear three speeches on the same subject, simply because our procedure authorizes it. In the past, it was possible to make a speech at the resolution stage, another on the motion for second reading and a third on the motion for third reading, which was a useless repetition of debates. We admit today that we have agreed to these proposals for the elimination of these repetitions so that the house would have more time for the study of legislation.

It is not our intention to review all the items in the report which was tabled by the chairman of the committee this afternoon. We have discussed this report together and we have accepted it. However, we were most surprised by the changes which had been kept until the end and which we do not accept, namely standing order 16A where, on the one hand, the co-operation of house leaders is requested and, on the other hand, their agreement is compulsory, otherwise the decision of the government will be forced upon them and the quorum required to enforce that decision is "me, myself and I." It is said that this committee will consist of three members when, in fact, it will always be the same person.

Mr. Speaker, such practice singularly exceeds the legislative power of a member of the house who, in this instance, could decide the time allotted for the consideration of such and such legislation. If the time to be alloted for the study of a bill is set by one man only, the house leader could shout "closure", just as General de Gaulle could have shouted: Long live free Canada, and the right hon. Prime Minister (Mr. Trudeau): Long live a just society. Yet, I could say that this is a just society only for fun, because the government house leader, under standing order 16A could very well convene us on Mondays and Wednesdays, at the time of his choice, in the way he chooses, since this is not mentioned.

The practice always observed in the past amongst house leaders, the discussion and the agreement, are scorned. From here on, no discussion; one man will decide and the government will vote.

In my opinion, this procedure is not only undemocratic but also arrogant. As pointed out by the honorable member for Winnipeg North Centre what can the backbenchers do in this house with such a procedure? If one day, the house leader decides that one hour will be allocated for a debate on some legislation, that the spokesman of the government will be allotted 30 minutes and a spokesman of the opposition 30 additional minutes, the hour will be over. No representative of the New Democratic party nor of the Ralliement Créditiste will have the opportunity to speak on that legislation, while in Great Britain, they have reached a point where some members even vote against their own leader.

In Canada at the present time, under standing order 16A, the opposition is threatened with being deprived of its freedom of speech and with being unable to do anything in parliament, which amounts to this: You will accept, otherwise we will show the mailed first. We will therefore have to defer to the will of just one man.

I hope the government will revise its decision, because once standing order 16A is passed, it will become a weapon in its hands, the first victim of which will be, I am sure, democracy.

Mr. Speaker, I feel that the Prime Minister, who advocated parliamentary reform, should see to it that standing order 16A disappears, so that in the future parliament can give a better image of itself and, above all, while saving face, save democracy also.

• (8:30 p.m.)

[*English*]

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the members of this house have been entrusted with many heavy responsibilities by the people of Canada, but none is more far reaching in its results than our responsibility for the conduct of this house. All that we try to do is shaped, either helped or hindered, by the procedures of this house. If we, the members, cannot deal with the business of the House of Commons in an orderly fashion, surely we will undermine public confidence in our ability to deal with the business of the nation.

As members we take part in the life of parliament for a brief span of years; but parliament itself carries on over the centuries. We have inherited an institution that has grown through the years. This institution has incorporated the experience and wisdom of countless men and women. I am sure all hon. members will agree that in its general structure the parliamentary system of government corresponds better than any alternative to both the traditions and needs of Canadians.

Over the years our predecessors have adapted this system to the requirements of their times. We, in our turn, must not shrink from the contemporary changes of our society. We must not refuse to make the necessary adjustments and improvements in our institutions. For it is true that parliament and each of its component parts are, like living organisms, subject to the universal law of life: adapt or wither away. It is not sufficient for us merely to cherish this heritage as if it were a relic, of interest only to historians. We must reform it so that in our time it will serve us well. We must revitalize it so that our successors will receive from us, not an outdated, moribund survival from an earlier age, but a vital and responsive institution of democratic government.

[*Translation*]

In certain periods of time, the House of Commons changes imperceptibly either through gradual changes in social conditions or because of the personality and outlook of the parliamentarians themselves. From time to time, the standing orders are amended slightly to improve a procedure or correct an abuse. But the time comes when it might be necessary to make a complete review of our work methods and to arrive, in accordance with the findings of that study, at major changes in our standing orders.

For a good ten years now the standing orders of the house have not been satisfactory. Several parliamentarians have often complained about that. Newspapermen, university professors have written articles about it, so much so that the public is now aware of the situation. During the last election campaign, the matter was even discussed openly: the candidates of all parties committed themselves in fact to parliamentary reform. Whatever party we represent in this house, we have, as elected representatives of the people, a clear and specific mandate to reform our methods of work. It is obvious that the Canadian people expect that their members do something about parliament.

Some hon. Members: Hear, hear.

Mr. Trudeau: In the face of the discontent expressed in a thousand and one ways, we must reply with a coherent and vigorous over-all reform of our rules, based on a thorough study of the present duties and program of the house.

[*English*]

In the last few years knowledgeable critics both inside and outside this house have raised many serious questions about our proceedings. Let us consider a few of them. In the first place, is the house keeping pace with the legislative requirements of the nation; or is it true that all too often laws are made or amended years too late? In a single session do we have an opportunity to examine systematically a full legislative program? In view of the irregularities of our sessions, can the members, the ministers or the civil servants who advise the government plan their work sufficiently in advance?

Second, does the opposition enjoy adequate opportunities throughout the session to bring on debates about the great issues of our public life? One of the principal functions of this house should be to hold such debates; members of the other parties have been saying so again today. Whatever party is in power, these debates should often be brought on by the opposition. They have suggested this, and I agree with it. An opposition, under the present situation, has some control over the topics discussed during the debates on the throne speech and the budget; but these debates normally occur only twice a year.

In addition, of course, there are the supply motions; but they are often concentrated in one or two short periods. In an orderly calendar for the session the opposition should have

regular opportunities to debate the issues of its choice.

• (8:40 p.m.)

Thirdly, is the house giving enough careful attention to the spending estimates? Or is it true that for the most part the house has abandoned the task of controlling departmental expenditures to the Treasury Board, and that members use the estimates debate mainly to show their constituents that they have demanded new expenditures on their behalf, and this generally without any real hope that those expenditures will be made? Everybody knows that politicians must not forget their constituents. But my question remains: Under our procedures are the estimates examined with sufficient care?

Fourthly, what about the bills that we do pass? Are they examined thoroughly? Or do we spend our time on the politically exciting parts, and for the rest rely on civil servants and draftsmen?

We are all here as party politicians; yet we have a more fundamental responsibility to this house and to the people. I ask myself if our present procedures do not encourage even the most conscientious members to be good politicians first, and good members of the House of Commons in a secondary way. To all of these questions I fear anyone familiar with our present system would have to give negative answers.

Reform in our rules should aim toward certain goals:

First, a regular legislative session with opportunity to examine systematically an entire legislative program;

Second, regular opportunities throughout the session for the opposition to debate the issues of its choice; and

Third, thorough examination of all the estimates and of each public bill.

This is certainly not the first time that these questions have been considered by members of this house. It is not the first time that these goals have been set up. Members will have noticed a close resemblance, for example, between the recommendations in the present reports and those of the special committee on procedure established during the last session. Those reports were produced and adopted after careful study which included an examination of current practices in the United Kingdom parliament.

Last September the government was prepared to propose to the house changes based on the work done by that committee and other committees in previous years. We considered, however, that the whole problem should be referred once again to a committee of the house. The house appointed a committee on September 24. That committee has gone into the problem intensively and it has now reported back to the house.

Before turning to the reports themselves I should like to mention some general considerations which must govern any set of rules we can devise. "Had we but world enough and time", mused Andrew Marvell. Although he was a member of the English house of commons he probably did not have his mind on his parliamentary duties when he wrote that line; but some imperatives apply to legislators as well as to lovers.

Obviously, there are limits to the number of days and hours available for the sittings of this house in any year. Each year the pressures of more business, of increasingly complex business, push harder against those limits. As members, we are faced with a double challenge: We must get through a larger volume of business, and we must examine the individual items in greater detail.

It is easy to agree that the situation demands better planning and a more systematic apportionment of our time. It is more difficult, it may often be impossible in a healthy democratic legislature, to obtain agreement on how the time should be apportioned. We cannot expect every member of the house to decide at the same moment that the time has come to stop talking and to start voting. Nor is this problem peculiar to the Canadian House of Commons. Every democratic assembly requires some procedure for turning discussion into decision. In the parliaments of Australia, New Zealand and India, for example, there are procedures for bringing on decisions on bills. As long ago as 1932 Lord Campion wrote:

> Most modern legislatures have found it necessary to adopt rules for limiting debate, whether by providing for the termination of debate at the will of the majority, or by laying down the time limit in advance, or by limiting the duration of speeches, or by some similar device. The closure is perhaps the commonest of these devices, and it is a serviceable instrument. But it does not generally stand alone. Most parliamentary bodies, certainly the British house of commons, find that for certain kinds of business other methods of restricting debate are necessary.

There are the sins of omission. These are commission; there is business that is slighted or prevented when discussions by the house are delayed. Consider the present situation. Bills often get priority, not because of their

great importance or complexity, but because of their urgency. Sometimes a deadline must be met. Interest rate provisions may have to be changed to keep an act in operation. We may have an international obligation to change a law by a particular date. The result is that instrinsically more important bills are dealt with hastily in the waning days of the session, and, what is worse, some important proposals may never even become bills at all.

Something similar often happens during the various stages of debate of a bill. Days are consumed on the second reading debate and on the first few clauses. Then interest lags, and the tough and technical clauses, the ones that need intensive study, slide by untested.

There are the sins of omission. These are the cruelest closures: Closure by neglect and closure by exclusion.

It is not even possible under our present system to assign full responsibility for these omissions. We spend a great deal of time in this house blaming each other for them. Surely it would be an improvement to assign responsibility for the use of time and to know whom to blame for its misuse.

Under our system, responsibility for the content of legislation clearly rests with the government. In case of disagreement among the parties, the responsibility for making a proposal on proceedings to the house must also rest with the government. The proposed rules would make this equally clear.

To recognize that the government has a right to make a proposal to the house on its proceedings must not be thought to reduce the dependence of the government on the house. Nor does it diminish the right of those in opposition to test, and test again, the attitude of the house to the government. The proposals before us would allow the government, when there is no voluntary agreement among the parties, to propose a timetable to ensure adequate discussion of all parts of a bill. This timetable would itself be submitted to a vote in the house; and let us not forget that the proposed rules would also provide the opposition with better opportunities throughout each session to bring on votes of no confidence in the government. The proposals would maintain a balance at all times between the government's legitimate desire to meet its responsibilities to the country, and the opposition's legitimate desire to test the support for the government in this house.

This balance is assured in proposed standing order 56 which sets a timetable for the annual session. The special committee has suggested that, if the house is to do its financial and legislative work during a regular annual cycle, the sessions normally should start in September or October. This would enable the government to complete its legislative program during the summer months. By the time the house convenes, a substantial number of bills would be ready for first reading. The bulk of the legislative work would be undertaken in the autumn and early winter. The house would be able to concentrate on the main financial work in the spring and to complete it before a summer adjournment. During each of three periods of the proposed annual session a fixed number of days would be set aside for the opposition. These are the days allotted for the business of supply.

As members know, we now divide the business of supply into two parts. One part is debate on supply motions. The other is the examination of the estimates by the committee of supply. A supply motion is for the Speaker to leave the chair so that the house may go into committee of supply. Amendments of which no notice is given, are moved, and these regularly entail the question of confidence of the house in the ministry. The standing orders in effect in 1962 provided for six debatable supply motions. The standing orders in effect provisionally in 1967-68 provided for four debatable supply motions.

The use of supply motions as the main opportunity for the opposition to show the shortcomings of the government—apart from the debates on the throne speech and on the budget—has been criticized on three grounds:

First, because under this system the opposition can initiate debates on only four or six topics chosen by itself during an annual session;

Second, because in a normal session these debates tend to be concentrated into one or two short periods; and,

• (8:50 p.m.)

Third, the two day supply motion debates are not used economically due to the lack of notice and the early hour of the division on the second day. To meet these criticisms, the opposition should be given better opportunities than the supply motion debates, either to raise important subjects for debate or to reveal the alleged errors of the minister. These are provided by the provisions of the proposed standing order 56, to which I will refer in a moment.

Motion for Concurrence in Report

First, let me talk about the other part of the business of supply, that is, the examination of the spending estimates of the various departments by the committee of supply. This committee, as we all know, consists of 263 members of the house. Under the provisional orders a total of 30 days was provided for the consideration of the estimates in committee of supply. The use of the committee of supply as the forum for the examination of the estimates has been found unsatisfactory for many reasons. First, the committee tends to move at a leisurely pace early in its work and then, whether or not there is a prescribed time limit, with great haste toward the end. Second, the proceedings take place on the floor of the house, so members tend to make speeches rather than to probe for information. Third, ministers, too, for the same reason tend to make speeches instead of providing detailed answers. Fourth, the committee includes almost all the members although some sets of estimates command the interest, and therefore the attendance, of only a few members. Fifth, the estimates often are examined and passed months after the money has been spent. Obviously an examination which takes place before the money has been spent would be far more meaningful and effective as a deterrent to waste and extravagance than one that merely confirms what already has taken place.

To meet these five criticisms, Mr. Speaker, the committee proposes that the examination of the estimates be assigned to the standing committees. This, of course, is not a new suggestion. Over a quarter of a century ago it was recommended at Westminster in the following words:

> I agree that after (the estimates) have been presented to parliament their consideration should take place by committees dealing with each branch, military, civil and so forth, and that those committees should apply the scrutiny which the public imagine is applied on the supply days, but which has fallen into very great disuse. I should be in favour of the estimates for the current year going up to be criticized and examined in a series of committees—quite small committees too—and those committees would report to the house. They would make a report, for instance, on the army estimates or on the naval estimates or the civil service estimates—they would make a report and the estimates would come before the house with a report drawing attention to all the weak points or scandals that had come to light, or any means of making revisions would be placed before the house before the subject is debated on any supply day.

This was the view of the Right Hon. Winston Churchill, as expressed on March 6, 1931, when testifying before a select committee on procedure of the British House of Commons. This is exactly the view adopted by the special committee in recommending the new standing order 56. For purposes of supply business, the committee proposes that the annual session be divided into three periods. On five days between the opening of the session and December 10, the opposition would select the business of the house with complete freedom. It would have seven more days before the end of March. There would be 13 or 16 opposition days before the end of June.

During March, April and May the main estimates would be under study in the standing committees. By late May and June, the opposition probably would want to bring on debates in the house centred upon, and I quote Sir Winston, "The weak points or scandals that had come to light". This is why the number of days in the third period is considerably larger than in the earlier two periods. Instead of eight days of supply motions and 30 days on the estimates, the proposed rules would provide at least 25 opposition days in the house and a substantial number of days in each of over a dozen committees.

I believe that by adopting the arrangement set out in the proposed new standing order 56 we will achieve at least three important results. First, we will have provided ourselves with a basic time-table for annual sessions, beginning and ending at reasonable dates. Second, we will have provided the house with occasions distributed throughout each annual session for real debate on the great issues of our country's public life. Third, we will have made it possible for members to examine thoroughly the spending estimates and to do this early enough so that their scrutiny can be influential.

Now, I want to comment on the proposed new standing order 16-A. This deals with the planning of the work of the house. As hon. members know, the British house has used guillotine time-tables for bills since 1881. All parties have introduced guillotine time-tables for bills. Indeed, Sir Ivor Jennings, who is generally recognized as a leading authority on the British constitution, has written:

> The guillotine, whether formal or informal is . . . the essential—

I am sorry.

Mr. Woolliams: Read better.

Mr. Trudeau: Listen.

An hon. Member: Read it properly.

Mr. Trudeau: You are quite right; I am reading too rapidly and perhaps I should slow down.

Mr. Lewis: Sir Ivor Jennings knows what he is talking about.

Mr. Trudeau: That is right, and I want some members to know, too.

I quote again:

> The guillotine, whether formal or informal is ... essential if highly controversial bills are to be passed through strenuous opposition in a reasonable time.

Mr. Lewis: Who will say what is a reasonable time, that is the point?

Mr. Trudeau: Reasonable men.

Mr. Lewis: On the treasury benches only.

Mr. Trudeau: The proposed new standing order 16-A makes provision for two kinds of bills; those that are not highly controversial and those on which there is a fundamental disagreement. The proceedings committee to be established under the standing order would include one member from each party. The proposal is designed to encourage participation and co-operation. It puts pressure on both the government and opposition parties to attend, and to strive for a unanimous recommendation from the committee to the house. My hope is that in most cases all the members of the committee would agree on such a recommendation.

But perhaps, Mr. Speaker, there is no point in being naïve. There are bills, and there will be bills, on which the opposition will believe the government is fundamentally wrong and on which the government will believe that it cannot procrastinate. On such bills it would be unfair and unreasonable to insist that the opposition ought to co-operate. After all, the opposition, too, has its responsibilities.

Some hon. Members: Oh, oh.

Mr. Woolliams: Thank you.

Mr. Trudeau: But I have not said it was always responsible, Mr. Speaker. When the opposition believes a government bill is fundamentally wrong, it should not be coerced by cries for co-operation. In such situations the opposition has a right to say to the government: "We think you are wrong. We hope that you will reconsider. If you won't change your mind, don't ask us to conspire against our principles. You are the elected government. If you think you must go ahead with your plans, don't ask us to subscribe to them".

Mr. Lewis: Timeo Danaos et dona ferentes.

Mr. Trudeau: Virgil.

Mr. Lewis: That is right, Virgil. Don't be so nice to us.

Mr. Trudeau: The proposed standing order 16-A is meant to be nice to you; it anticipates being nice to you.

• (9:00 p.m.)

Mr. Lewis: Even the Prime Minister smiles.

Mr. Trudeau: Like the Minister of Industry, Trade and Commerce, I smile even when I am serious.

This standing order would permit the government to present to the house a plan for dealing with a controversial bill, and it would permit the House of Commons to decide whether or not to accept that plan.

A good deal has been said by some members about reliance on full co-operation. I wonder if hon. gentlemen opposite have read the testimony on this very point given by Right Hon. Herbert Morrison in 1958.

An hon. Member: Who is he?

Mr. Trudeau: Somebody Ivor Jennings knew. The complaint had been made that the debates on the motion to set up a guillotine timetable were always predictable and dull, and lasted an entire day. Better methods of planning the work had been sought. Mr. Morrison was asked if a voluntary timetable could be adopted for all bills. His reply was emphatically negative. When leader of the house he said this:

> I was genuine about wanting a voluntary timetable, and I would have been not ungenerous about agreeing time with the opposition, but the opposition took the view—and I understood their point of view—that this was a fight to the death, so to speak, and that therefore if they made a voluntary timetable, then at any rate the death element in the fight would be eliminated and in the eyes of their supporters inside and outside the house they would, so to speak, have compromised in the spirit of the battle against a bill which they regarded as a very bad bill and which we regarded as a very good bill. So the tendency was for the opposition not to agree to a voluntary timetable on such bills. But I do not see why we should not try a voluntary timetable over as wide a field as we can. It may enable the house to deal more expeditiously but nevertheless adequately with legislation; but I think you must have a provision whereby the opposition is not bound to agree to a timetable and even that it would prefer to be guillotined by the government—

Naturally, as Prime Minister, I hope co-operation can be achieved in planning most of our business. But only in a totalitarian regime would it be demanded that all disagreements be merged into ostensible unanimity. There will be times when any opposition in the name of its principles will have to refuse to co-operate, and when the government, conscious of its responsibility as the government, will have to refuse to yield to the will of the minority. This is entirely normal and healthy in a parliamentary democracy. The proposed order provides a systematic method of dealing with such situations.

I have been dealing with the committee's proposal to establish a proceedings committee to plan the work of the house. Obviously, it would be with government bills that this committee would be chiefly concerned. The special committee makes important recommendations in relation to the procedures for dealing with such bills. These are set forth in the proposed standing orders 77 and 78.

Under our present rules we often spend days debating the second reading motion, but I, for one, have yet to see a government bill stopped by a defeat at that stage, and I doubt that any other member of this house has. In many cases the time that might be used for a thorough study of the clauses of the bill during the committee stage is consumed by the debate on second reading. In its recommendations the committee has sought to play down the importance of the second reading stage and to shift the emphasis to the later stages in the legislative process.

The committee recommends that most bills undergo clause by clause examination in the standing committees, not in a committee of the whole house. This would allow the committee stage to be conducted in a workmanlike way. It would have the additional benefit that more than one bill could be in progress at any time in different committees.

Under the proposal the house itself is to have an opportunity to deal directly with the bill when the report of the committee is under consideration. The debate on the report is not to be a repetition of the work already done by the committee; rather the house will move from proposed amendment to proposed amendment.

The requirement of notice of a proposed amendment is important, for the house ought not to be taken by surprise. The new power to be given to the Speaker to permit him to marshal proposed amendments and to select those that best permit the house to express its views will help to focus and to improve debate. If adopted, this will be one of the first instances in which the house has made use of the Speaker's new status in order to improve its own procedures. It is consistent with the proposal to eliminate appeals from the Speaker's rulings.

I have dealt with only a few of the constructive recommendations put forward by the special committee. Many of the proposed changes will be supported generally throughout the house. It would be surprising, however, if on a subject such as this there were complete agreement on every point. Indeed it has been reported that there are those who have announced a filibuster to force the government to impose closure.

Back in 1919 when he was explaining the changes that the ministry was advocating in the rules of the British house, Mr. Bonar Law commented that—

> —there has never been any change in the procedure of this house which has not been held by the opposition and by a large number of private members to be the end of the House of Commons and to mean that everything was going to pieces... We must not look at questions from that point of view. We have to look at it from the point of view that the thing has got to be done; and looking at it from that point of view I am disappointed at the reception that has been given to our proposals.

I hope we have a good debate. Procedure is a complex subject; and this is the most important reform of its procedures ever considered by this house. Such a debate may help all of us to understand better the changes proposed by the committee.

Nobody should misunderstand the situation. The opposition has stated repeatedly that it believes in debate. We too believe in debate, and we agree that the essence of the House of Commons is debate. But we have not prejudged this issue. We like the recommendations of the committee; but if valid arguments for modifying the proposals are made in the debate, we will not feel bound to adhere strictly to those recommendations. We will consider any reasonable proposals put forward for consideration. I hope that those who do not like the recommendations of the committee will adopt the same approach.

We should let debate have its effect, and then the house should decide.

If it is true that there are members who have prejudged the case, members who have robbed the debate of its purpose by announcing before the debate has started they intend to conduct a filibuster to force closure, I ask them to reconsider.

[*Translation*]

If there are valid arguments against the proposed reforms, let them be expressed clearly for the greater benefit of the members and the Canadian public. Once the pros and cons of the matter have been expressed and debated, the matter must be settled rapidly by the vote of the representatives of the people.

If obstruction is made solely for the sake of obstruction, if it is decided to delay the vote for political ends, the very foundation of parliament stands in danger of being undermined. Of course, it is the duty of parliament to see to it that the opposition can express its point of view. But no one should forget that parliament can only fulfil its role by reaching decisions within a reasonably short lapse of time, even in controversial matters.

[*English*]

Worse still, those who would extend the present debate indefinitely have misjudged the temper of the Canadian people.

• (9:10 p.m.)

I know, Mr. Speaker, that no hon. member will claim his constituents have elected him to frustrate the work of parliament, to stall, to obstruct, and to bring this institution into disrepute.

Surely the members of all parties must agree that if parliament is to play an effective role in the contemporary world we can no longer afford a repetitious filibuster of five or six months on a single issue. In this session we have already allowed three months to go by and only passed nine measures. We should not spend a substantial part of this session wrangling fruitlessly over rules of procedure.

Some hon. members of the opposition have talked of closure. A filibuster is a form of closure. It is a device for invoking the closure of neglect on some measures which must be dealt with later in this session, and the closure of exclusion on others which we may never reach.

If we learned a single lesson from the election, it is that the Canadian people are impatient for reform.

Some hon. Members: Hear, hear.

Mr. Trudeau: Not only are they impatient for reform in the legislation of this house, Mr. Speaker, but they are impatient for the reform of this parliament and of this house. They did not elect us to take part in a marathon of oratorical endurance; they expect us to revise our rules with all deliberate speed and to get on with the business of this house. Mr. Speaker, if we respect the will of the people, if we value the institution of parliament, we must debate these proposals fully, and, having done so, make our decision on them.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we learned something else during the last election. About 55 per cent of the people of this country took a good look at the right hon. gentleman, heard what he and his colleagues had to say, decided they did not like what they heard, and called for hon. members on this side of the house to speak for them. And we intend to speak for them.

As the right hon. gentleman has said—and we on this side of the house agree with him; my leader has indicated he agrees, as have the hon. gentlemen for Winnipeg North Centre (Mr. Knowles) and Shefford (Mr. Rondeau)—this is indeed an important issue, probably the most important which will come before this house this session, or even before this parliament. But who is there in this house who, speaking honestly, would not say that if proposed standing order 16-A had been in effect when this session commenced we should now be facing a limited period of debate to deal with this serious measure which is now before us? I suggest, Mr. Speaker, that the intent of the Prime Minister and his colleagues in proposing the adoption of the standing order is such that, if the standing order had been previously adopted, the time we would have had to deal with this matter would indeed have been extremely limited.

The right hon. gentleman suggested that a filibuster has been indicated by hon. members on this side of the house. I reject that imputation out of hand. We have indicated that we understand and accept the seriousness of the issue; we accept the responsibility of our position and are prepared to debate it. We are so adamantly opposed to this measure that we intend to fight it because it should not, must not and cannot be imposed on this house as a rational measure of debate from now on.

Some hon. Members: Hear, hear.

Mr. Baldwin: When we talk of responsibilities, Mr. Speaker, we must bear in mind that the government has an international obligation which will compel it to pass an anti-dumping measure before the new year. In a sly and surreptitious way it has been postponed until the end of this debate in order

that the government may attempt to bring unfair pressure upon hon. members of this house to pass, or bring to an earlier decision than need normally be the case, the debate on this important matter now before the house. I suggest that has been done deliberately in order to bring undue pressure on hon. members of this house.

There is one area in this debate where, respectfully, I disagree with my leader and the hon. member for Winnipeg North Centre. They considered with horror the idea of the President of the Privy Council (Mr. Macdonald) sitting by himself and considering various measures. I think that might be very useful; it might be an improvement. Sitting by himself the hon. member might argue with himself and question the soundness of some of his own decisions. He might even be persuaded to bring in both a minority and majority report, all on his own. More than that, he might infect some of his colleagues, including the one sitting right in front of him, with good sense, and they might be persuaded to have some doubts about their own infallibility.

The debate has been useful for another reason. We have had produced before our wondering eyes large batches of ministers—ministers who normally would be in their offices working hard to execute their duties.

An hon. Member: They were ordered out of the house.

Mr. Baldwin: They are ministers, as we have every reason to believe, who have not been coming into the house as often as they wished. They are here now—I do not mean to drive any of them away—and that is one worthy contribution the Prime Minister has made in this debate. Having spoken here tonight the Prime Minister, so to speak, produced these ministers before our wondering eyes.

An hon. Member: Will the hon. member permit a question?

Mr. Baldwin: I would be willing to allow 15 minutes of the time available to me to be used for the question period—if that is the suggestion of the hon. member for Winnipeg North Centre.

In his discussion the Prime Minister (Mr. Trudeau) said a good many things with which most of us can agree. In his professorial remarks he said things which are consistent with what the committee suggested, with what my leader suggested and with what the hon. members for Winnipeg North Centre and Shefford suggested. I do not think it is necessary for me to deal with those particular areas.

The institutions of democracy throughout the world have all been open to varying measures of criticism over the last few years, and certainly with some justification. Certainly all representative groups must conduct their business in the light of today's conditions and the conditions likely to prevail tomorrow.

• (9:20 p.m.)

There is much to be done, much to change, much to alter. As a matter of fact it is no secret that many of the proposals which are reflected today in the committee report have been suggested by hon. member of this house in past years, some by members of the opposition parties in and out of this chamber, in the procedure committees of last year and of previous years. For example, the proposal with relation to the elimination of financial resolutions, the proposal to place more emphasis on standing committees, the proposal to attach less importance to second reading, the suggestion that unanimous decisions by the proceedings committee concerning the allotment of time for individual items should be bringing, the idea that there should be regular sittings of the house—as one goes through the litany of proposals contained in the fourth and fifth reports he finds many proposals and ideas which have been advanced from this side of the house, and, as has been said, we have really no quarrel with the majority of the recommendations. We might disagree with some of them in detail but, basically, we do not quarrel with all of them.

Mention has been made of the committee which went to England. I agree with my hon. friend who leads this party that the kind of procedures we want in this house are those which are native to our institutions, native to this country and adapted to the fact that we have a federal system. They should take into account that as individual members we represent areas which are distinctive from geographic, ethnographic and economic points of view. What may be good for the United Kingdom is not necessarily good for Canada, and I think this should be made clear. We did find some practices in the United Kingdom which appeared to be reasonable and we dealt with certain of these in the report which was made last year, part of which was carried over. But we were careful to include in that report a statement which has not been

mentioned as yet, namely that many of the private members of the house of Westminster, the mother of parliaments, were most concerned over the fact that the mad rush toward efficiency and expedition had destroyed some of the values of the democratic process which they had keenly desired to retain. Nor had they gained any real alternative.

This caveat was filed by the committee last year and it appears in the report. We also suggested that in approaching this whole subject, Canadian conditions and practice must be kept in mind. Efficiency and expedition are all very well. Mussolini said he had made the trains run on time. But he did a great many other things, in the country over which he ruled as dictator for so many years, which were most repugnant to us, and still are.

In our analysis of the proposals before us we must be careful not to be carried away by the wild winds of expedition, efficiency, processing, computerization. Those are fine words, but they contain within them the essence of great danger to the process of democracy. Every year more countries have, in the sacred name of efficiency, scrapped or altered their parliamentary institutions so that they are no longer able to reflect honestly and effectively the views of the people of the land. Each year we find the countries which possess truly democratic institutions, dwindling in number. It is not enough for the government to come to us and say: We like this, or that, recommendation because it guarantees that in the course of a year we shall be able to program what we feel is essential for the government of this country. Mr. Speaker, no government is entitled to say that it is a reservoir of all that is good, wise and intelligent. Merely because it has access to the sprawling bureaucracy which inhabits this country and can produce a program of legislation is no reason at all for the government to suppose that we in this house, members of opposition parties and private members on the government side alike, should refrain from challenging, examining and scrutinizing its proposals free of the inhibitions which, for example, the proposed rule 16-A would inflict upon them.

I wish to deal for a minute or so with the advantages, in terms of parliamentary time, which are likely to result from the proposals made by the committee. It is my submission that, quite apart from the proposed rule 16-A, the proposals as a whole would provide for the use of the government and the house approximately 50 days more per session than are now available. As a result of the elimination of the financial resolution I would say that in an average year 20 days additional debating time would be gained. The elimination of the budgetary resolutions would save another five or six days. Thirteen days have been cut from the total of 38 days which were available for supply. In addition, the fact that less emphasis is being placed on second reading would, in normal circumstances, make available an additional eight or ten days. No longer will it be necessary for members of this house considering second reading of a bill to say that, having accepted the principle on second reading, they are bound by its terms and can no longer challenge the measure. Since second reading will be just another step in the legislative process, I am confident from my experience in this house that at least 10 or 12 days will be saved in each session. Thus, as a result of these proposals, many of them emanating from this side of the house, approximately 50 extra days will be available, in addition to those available in the past for debating government proposals and other measures with which the house might wish to deal.

• (9:30 p.m.)

But that is not enough, apparently. The government demands more. The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned the omnibus amendments to the Criminal Code. I ask the President of the Privy Council (Mr. Macdonald) and his colleagues what assessment they would make of the time required to debate this measure in the house during the legistative program of a session? It may well be, of course, that the Prime Minister, who has been trying for the last year to lead parliament out of the bedrooms of the nation, where he unfortunately feels it has spent too long, may feel that this year has been a very long year. I would of course point out to him that having introduced a measure, it led him on to greater heights, and then it languished and withered on the vine.

This year, of course, was the in year for elections. The right hon. gentleman thought this would be an excellent time to have an election, but of course this was bound to take up a good part of the year. Nevertheless, being an impatient man he might very well say, "I think this bill should be through all its stages in two days," and there is nothing to stop the government from engaging in a practice which would lead to this being done,

covering 80 or 90 clauses, dealing with substantive and procedural matters, a great many important issues which are especially crucial in the social and moral life of this nation. Through you, Mr. Speaker, I ask the members of the house, how would this measure be programmed? I suggest to you that any opposition party—and I go further—any members of the government, the private members of the government party, who are prepared to accept without challenge the type of programming envisioned in this proposed standing order 16-A, do not deserve to sit in this house. They are not justifying their responsibilities to the people who have sent them here. Mr. Speaker, this place must not become a legislative incubator.

Now, sir, some mention has been made about the practice in the United Kingdom. I challenge the implication contained in the remarks made by the right hon. Prime Minister. Virtually all of the arrangements which are made in the United Kingdom are worked out by virtue of agreements.

When our committee was over there last year we went to a dinner given by Mr. Speaker. I sat next to a gentleman with whom I struck up a conversation. I discovered he is what is known in England as "the usual channels." He is an official of the treasury department attached to the office of the chief government whip, and he stays in that capacity. When the government changes, this official goes as an assistant to the chief whip of the opposition party. He ranges between the parties, through constant negotiations. He is trusted as an honest broker. He shuffles from one side to the other, working out the course of the legislative program measure by measure, session by session, even section by section in order to try to develop for the benefit of the members of the house some indication of the time which will be spent on a measure and when it will come up for a vote.

As a result of that I think it is safe to say that 95 per cent of the business announced by the government house leader during the course of the week comes from these arrangements. The balance is usually contained in private members bills and private members resolutions. For what it is worth, Mr. Speaker, I have here a copy of the *Hansard* for the day I was present, containing a statement made by the Hon. Richard Crossman on the business for the week. Three of the days of that week were private members days, one was a government bill, second reading, and two were committee stages of other bills. I had the occasion to discuss these with the government people and with opposition people. In each case there had been arrangements worked out.

Without in any way denigrating the party of the hon. member for Winnipeg North Centre (Mr. Knowles) I would say that my responsibilities are a little heavier than his. Our party is Her Majesty's Loyal Opposition. From time to time he and I feel it is our duty to arrive at the same destination, but sometimes we think it possible to get there by different routes. This occasionally may make my task as house leader a little more difficult than that of the hon. member. But I suggest through you, sir, to the right hon. Prime Minister, to the President of the Privy Council (Mr. Macdonald), and to all the members of the house that in virtually every one of the cases where the government sees fit to put a measure before us, with a proposal such as that contained in the amendment of the Leader of the Opposition (Mr. Stanfield), agreement would be reached. There would be negotiation. There would be bargaining. There would be the necessity of distributing the functions of the usual channels in the United Kingdom between the respective house leaders. But I suggest this would be done, and where it is not done the government would then have to put itself in precisely the same position as the government in the United Kingdom. When in the opinion of the United Kingdom government a measure has been debated to an extent which requires termination, the government moves closure. This is a weapon which is available here. All that is required is 24 hours notice under the appropriate standing order. Debate having been initiated and not being completed, the government has the option to exercise this responsibility and bring the debate to a close.

But I go beyond that, Mr. Speaker. How will it be possible for the members of this house, dealing with important, complex, difficult measures—measures dealing with economic, social and human problems—to know what is involved until debate has been commenced, until there has been an opportunity to question, to challenge, to scrutinize? This was the case in the famous pipe line debate and in the debate on the emergency measures of some years ago. After the debates had been commenced these measures were subjected to crucial examination, and only after it had become apparent to members of the opposition precisely what were the problems

involved, then and only then did the opposition say, "Here is a measure where the rights of the people of Canada are involved. We, in the exercise of our duty and our responsibility, will say no to this measure." The result in the pipe line debate was that the government imposed closure. Mr. Speaker, this is the only way it can be.

It is not possible, it cannot be possible to precut, to prepackage all of the legislative proposals which the government may see fit to put before the house at the beginning of a session. Using the *reductio ad absurdum* theory, why wouldn't the government make its task a great deal easier by simply attaching a schedule to the speech from the throne, with the number of days, number of hours and number of minutes opposite and say, "This is our program. This is the time available to deal with these measures"? I suggest this is the sort of thing which the government is seeking to impose upon us, and I suggest to you, Mr. Speaker, that it is not right.

Parliament, sir, must be an instrument of attack to deal with the problems which hold back the advance of progress. But parliament is also the final line of defence against tyranny, present or potential, and also against the encroachment of a vast, impersonal and sprawling bureaucracy. The average man, bewildered and overpowered by thousands of laws and regulations which press in upon him and increasingly restrict his freedom, his right to make decisions, would be left absolutely defenceless without an active parliament with the strength and vitality which it must possess.

This afternoon we had the Minister of National Health and Welfare (Mr. Munro) telling us about his expedition into the north, and what he had done with regard to changing the situation in respect to the provision of health care for Indians. Mr. Speaker, that would not have been done if it had not been for the fact that last year in parliament members of the opposition brought this problem before the government. They raised it on the estimates. They raised it in questions. In the result, this brought a very serious and difficult situation to the attention of the government. The result is that the minister has possibly carried into effect a decision which might nave been made earlier, but which had its initial stages on the floor of this house.

• (9:40 p.m.)

Our strength here lies in the ability to debate matters and oppose the government when we feel it is wrong. We reject the idea that an executive branch of government represents all that is good and wise. We feel that because of our close and considered connection as members with the people we represent, and all the people of Canada, that we are very often placed in a better position than members of the government to assess and evaluate their proposals. We feel that the tremendous and accelerated zeal of the government to levy a devastating taxation burden, accompanied by the high cost of living, has such a detrimental effect to the present and future of the Canadian people that we should be entitled to challenge and scrutinize government spending proposals for an adequate time, and in an adequate way. That right is not discharged by a proposal which limits us to debating spending programs and determinations in a standing committee. We disagree with the Prime Minister (Mr. Trudeau), and his group of parliamentary busters, that the election has put them in the driver's seat, not only to initiate but to brush aside or minimize objectives. Here lies the fundamental difference between the government and us, and here we draw the issue, and here we will fight.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like to begin my remarks this evening first by complimenting the leader of the opposition, and by offering my thanks to him for the compliment he gave to me. My compliment to him is, first, in relation to the uncommonly good speech, and while—

Some hon. Members: Shame, shame.

Mr. Macdonald (Rosedale): Oh, come now; come now.

An hon. Member: You are getting cheeky.

Mr. Macdonald (Rosedale): Let me compliment him then on his extremely good speech. While I do not agree with many of the things he has said, I regard his speech as an outstanding rhetorical performance and one of the best I have heard in parliament. I should also like to give thanks to him for the compliment he paid to me. He is looking a little nonplussed at this point, but I assure those surrounding him that he did not let them down. He made it perfectly clear that there was little in the way of godliness to commend me, but he made it clear also that there was something to be said for me on the subject of cleanliness. Perhaps I should not argue in respect of the godliness part, but the hon. member was kind enough to credit me with

cleanliness on a Monday morning, and at least in that respect he gave me the benefit of the doubt.

The hon. member for Winnipeg North Centre raised a question which, as he said, was discussed in the committee and which was central to the special committee's conclusions in respect of amendments to the standing order, which should take a permanent form. He suggested that the standing orders as we may finally put them during the debate on this resolution, should receive scrutiny within the period of the next year. I would be glad to give an undertaking on behalf of the government that after we have had experience with these suggested standing orders for the balance of this session, we would at the commencement of the next session in September or October of next year, be prepared to refer these amendments to the new committee on procedure and organization, which I trust will be established by this motion. That committee could consider these procedural changes if not within one year, within at least nine months later.

The two questions upon which the debate so far has focused have been, first, questions in respect of supply and, perhaps more particularly, in respect of the proposed standing order 16-A. The question of supply was referred to at some length by the Leader of the Opposition. After what has been said on this point in the house; on the question of supply, I think little more need be said. The hon. member for Winnipeg North Centre (Mr. Knowles) rather abruptly, albeit gently, pulled out the rug from under the Leader of the Opposition in indicating that his group favour a change in the length of the supply procedures. I must say that the hon. gentleman representing Peace River (Mr. Baldwin) may be said to have pulled the rug from under the Leader of the Opposition in his support, along with other members of his party, of the fifth report of the last session which recommended that estimates should be referred to committee.

Mr. Baldwin: Subject to the caveats I referred to.

Mr. Macdonald (Rosedale): Subject to the caveats to which you referred, which do not seem to have been reproduced with the recommendations in respect of supply.

Mr. Baldwin: You have not read in the right places.

[Mr. Macdonald (Rosedale).]

Mr. Macdonald (Rosedale): The hon. member for Peace River has now changed his mind on this question and I agree that is his right. It seems to us that we should continue to be persuaded by what formerly persuaded him.

A question has been raised both by the amendment of the Leader of the Opposition and, secondly by remarks made to me by the hon. member for Winnipeg North Centre—one could say privately, but also on television and repeated in his speech this evening—as to certain methods by which the proposed standing order 16A may be amended. I may say, as the Prime Minister (Mr. Trudeau) has already said, we are open to suggestions for amendments to this proposed standing order.

I think it is fair to comment that it would have been more reasonable to have looked for and expected these suggestions to be made at the special committee itself when it was considering the proposed standing order. One wonders why the suggestions were not forthcoming then, and in fact why there was not negotiation in respect of this particular proposal similar to the negotiation the hon. member is now proposing.

Mr. Knowles (Winnipeg North Centre): It was made on a take it or leave it basis.

Mr. Macdonald (Rosedale): The hon. member suggests we gave it to them on a take it or leave it basis. We were hardly presenting it on that basis in light of the fact he did not appear to be intimidated by most of the discussions, and I am surprised that he appears to be intimidated now.

Mr. Baldwin: You can't negotiate with a bulldozer.

Mr. Macdonald (Rosedale): The special committee report would indicate that you have done pretty well on the whole.

I should like to emphasize the fact that there has been very considerable reference by speakers opposite, statesmen as they are, with respect to co-operation and respect for the parliamentary institution they so often put before us, to the fact that there will never be any need for the government or anybody else to take any particular action to arrive at an agreement as to a timetable, and that everything will from now on fall into place. I think they are just trying to put us on.

We are in politics and they too are in politics. This notion that political parties will never seek to prolong the debate on a particular matter is a trifle disingenuous. We are

engaged, as the hon. member for Winnipeg North Centre once said, in the process of political warfare. Perhaps we could be spared these statements that inevitably by some kind of heaven-sent co-operation or circumstance that we will always arrive at the best decision in relation to the best dispatch of public business. I don't think anyone believes that.

Let me reply to some of the objections that have been made to the proposed standing order 16A. I think they can be summarized under three headings; the so called quorum of one argument; the so called unilateral decision of the house leader argument, and the essence of programming itself. First, let us refer to the so called quorum of one.

In essence the suggestion has been made which imputes bad faith on my part in respect of meetings with house leaders, that I will have separate unilateral meetings. It has been suggested that I myself may ultimately persuade myself to take a certain course of action. I think it is perfectly clear that I will not follow that course of action, as suggested by hon. members opposite, not only because I think it is not a moral course of action but also because it happens to be politic. The hon. member suggests that if there is a quorum of one this will automatically and necessarily take place. I do not think that the quorum of one will ever happen so long as house leaders on the opposition side do not voluntarily absent themselves from the meetings of house leaders.

• (9:50 p.m.)

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): In case there is a suggestion that there is anything imaginary in the concern which led us to put this particular provision in the standing order, let me remind hon. members of the time not too many years ago when the house leader of the official opposition—not the present gentleman but another one—was in effect refusing to participate in meetings of house leaders and it was not possible to call these meetings.

Mr. Nesbitt: Tell us why he did not participate.

Mr. Macdonald (Rosedale): You tell us why he did not participate. And will it happen again? Perhaps it will.

Mr. Nowlan: There is a new politics.

Mr. Macdonald (Rosedale): There is a new politics on this side.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): We know the kind of people we are dealing with on that side.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I do not say it in any—

Mr. Monteith: It is the same arrogant approach.

Mr. Nowlan: From the same old wagon.

Mr. Speaker: Order, please. The President of the Privy Council has the floor.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, and I will not be provocative.

Some hon. Members: Oh, oh.

Mr. Monteith: That is something new for you.

Mr. Lewis: The President of the Privy Council is arguing with himself, no doubt. What does he think of his argument?

Mr. Macdonald (Rosedale): I hope the hon. member will think that the better side may just win.

Mr. Lewis: I don't know.

Mr. Baldwin: We are not sure yet.

Mr. Lewis: Would it be your alter ego?

Mr. Macdonald (Rosedale): Which one is my alter ego? Second, I refer to the suggestion that the decision of the government house leader will really be a single-man decision which will enforce itself on the house. I have heard the hon. member for Winnipeg North Centre (Mr. Knowles) make some very skilful arguments in this house from time to time, but he has made no more skilful argument that the one he made on the assumption that the action by the government house leader would be contrary to section 49 of the British North America Act. Section 49 of that act says:

> Questions arising in the House of Commons shall be decided by a majority of voices other than that of the Speaker—

That is exactly what we are proposing in standing order 16A. We are proposing that a recommendation should be made and the house should decide this question, as with other questions that may be before the house, and should decide it with a view to the best dispatch of public business. May I suggest

that there has been a lot of talk this afternoon and this evening about democracy and democratic principles but I think the fact is that on the whole the principle that ultimately has to be recognized is that imposed upon us by the British North America Act, namely that the majority should have the right, after reasonable discussion, to come to some decision. That is what we are putting forward.

Third, I deal with the programming of legislation. I am much obliged to the hon. member for Peace River (Mr. Baldwin) for having put forward a certain amount of mathematics in making his argument, because it excuses my doing the same thing. I refer hon. members to *Hansard* of September 12 in which the Prime Minister (Mr. Trudeau) set out for the benefit of the house and the country a list of 47 legislative items which it was the government's hope might be enacted in this session.

Mr. Knowles (Winnipeg North Centre): We have not seen most of them yet.

Mr. Macdonald (Rosedale): I would point out that the majority of them could have been seen but for the provision of the resolutions preceding financial bills, which I am sure the hon. member agrees should be abolished. Of those 47 items, nine have been passed. Therefore there are 38 still to be dealt with. To that list two more have been added by way of the budget bills, making a total of 40 public bills to be dealt with in the remainder of the session.

Assuming that the house sits for the balance of this session from approximately January 14 until June 30, there would be 120 business days. One should deduct from that two statutory holidays, that for celebrating the Queen's birthday, and St. Jean Baptiste, and also a period of approximately 15 days assuming the house takes an Easter holiday. This leaves 103 sitting days during that period of time to deal with the existing business.

Assuming the proposals with respect to supply are adopted, from these 103 sitting days there should be deducted the 23 days allotted for the business of supply from the beginning of the year to the end of the session, leaving 80 sitting days to the house in which legislation can be considered. This is 80 sitting days in which 40 items of legislation are to be considered. This is some indication of the nature of the problem that the government faces in putting legislation before the house and, may I suggest, that the house faces in discharging its responsibility as the parliamentary, legislative body of the federal government.

Mr. Stanfield: Two budgets and two sets of estimates in one session.

Mr. Baldwin: And six months off for an election.

Mr. Macdonald (Rosedale): Hon. members opposite are making comments, Mr. Speaker. I am sorry that I do not hear them. I point out that the hon. member for Peace River laid very great stress on the serious and fundamental nature of the proposed changes to the Criminal Code. I agree with him that this is a very big bill, and there are very many more—

Mr. Baldwin: It is still changed from what it was last year.

Mr. Macdonald (Rosedale): Mr. Speaker, may I point out to my hon. friend that it is being changed because recommendations have come from members of the public, indeed possibly even from hon. members opposite, recommending changes to Bill C-195, and I think it is good legislative procedure to take those recommendations into account and effect the changes.

Mr. Nowlan: Mr. Speaker, would the minister permit a question on that point?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member can ask me questions, if he likes, at the completion of my remarks; but I would like to develop my own argument, if I might.

Mr. Nowlan: The question—

Some hon. Members: Order.

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

Mr. Speaker: Order, please. I have to bring to the attention of hon. members that it is ten o'clock.

• (10:00 p.m.)

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AID—REQUEST FOR ASSISTANCE FOR FRENCH SPEAKING COUNTRIES

Mr. Bernard Dumont (Frontenac): Mr. Speaker, in asking a question concerning increased help to French-speaking countries, I wanted to call the attention of the right hon. Prime Minister (Mr. Trudeau) to a problem which exists in African countries, among others. At the present time, the average annual income in those countries is only $115, whereas in the rich countries of this same French-speaking community it is $1,714.

What strikes us, however, is that following the interparliamentary conference held in Paris, a Canadian representative assured us that the $8 million difference in Canadian help to British commonwealth countries and to French-speaking countries would disappear in 1969. We hope that this project will be carried out.

Before our departure from Africa, we had the opportunity to see what is being done by the Chevrier mission packed with money and fine promises, reminding Africans that we also speak the beautiful French language from British Columbia to Newfoundland.

I would now like to point out, Mr. Speaker, that when French-speaking countries can come into contact with the French culture, they are able to improve considerably their trading operations with other countries. In fact, what especially contributed to assure the success of the Canadian mission is that it enjoyed plenipotentiary powers. The decisions were taken on the spot. The African authorities were quite pleasantly surprised to be able to conclude in a few days agreements on 49 new projects, among which assistance to Algeria, Morocco, Tunisia, The Cameroons, Ivory Coast, Niger and Senegal. However, if that assistance is to remain efficient, those people will have to be in a position to use the French telecommunications services, so that they may communicate with all those countries, because the lack of French short waves seriously hinders communications in French-speaking countries.

An enormous quantity of transistors are spreading over one third of the world at the present time. And still much more important, in five years at the most, satellites will assure long-distance communications. Now, according to technicians, there is room for not more than 72 satellites around the earth. On account of the considerable lead taken by the two space giants, the Americans and the Russians, the available wave lengths are scarce and the saturation point seems to be near.

As the unit regulations require that a country apply for its wave-lengths only two years before a satellite is launched, there is the danger that the satellites of tomorrow will be American or Russian, which would reduce to very little the cultural progress achieved by francophone countries in the last ten years, at the cost of great effort.

I have here a press release which I wrote; it proves that if it is possible to protect French culture through co-operation with all francophone countries, we have a duty to do so. In fact, in the majority of developing French-speaking countries, material which Quebec industrialists could supply is very sorely needed. That is why communications in French must become possible, for if use of that language is not maintained, considerable erosion would follow in those francophone countries.

As a result of the study we were able to make during a visit to Paris with the delegates to the interparliamentary conference, we saw that France now has at its Chantilly base—which we visited—a satellite which could guarantee all African francophone countries communications in French.

The satellite "Symphonie" could, even in Canada, broadcast from Halifax to Banff, thus reaching all the French-speaking minorities. In addition, if that satellite were located on the equator, it would be possible to broadcast French programs as far as South Africa. Besides, following those meetings, I would like to inform the house about the results of the work we did, which is greatly encouraging for all those French-speaking countries, including Canada.

It must be remembered that here, even if salaries are higher than in the African countries, Canada has 300,000 unemployed, 150,000 of them in Quebec, and if the co-operation kindly offered by France to reach all those African countries through its satellite is rejected, Canada will be responsible.

Last week the board received a message to the effect that the communications satellite from Halifax to Banff could broadcast in French not only in Canada but in all the countries of Africa, to allow for that exchange of ideas which would lead to increased trade in the future.

I will end my remarks by reading the press release issued about the opportunities for development in those French-speaking countries.

The meetings of the two ethnic groups, French and Canadian, make it possible to hope that the relations between France and Canada will increase

while, at the same time, the relations between France and Quebec will continue, especially in the field of education which comes under the provinces.

During that meeting, it was announced that an oil refinery would come to Quebec, as well as a tire factory, since Peugeot-Renault factories are already assembling cars in Saint-Bruno. It was also said that a decision concerning the establishment of an airplane factory in Quebec would be made in January.

[*English*]

Mr. Deputy Speaker: Order, please. I regret to inform the hon. member that his time has expired.

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the hon. member for Frontenac (Mr. Dumont) said himself, the Canadian government has considerably increased its help to French-speaking countries, particularly in the last few years.

The hon. member spoke of satellites. It is to be hoped that co-operation between France and Canada could increase in this very important field of communications by satellite.

I should like to quote, for the benefit of the hon. member, certain figures which show the increased help the Canadian government has given to French-speaking countries.

In 1967-68, an amount of $12 million was devoted to this program as a whole; the corresponding amount for 1968-69 is $22.5 million, that is an 88 per cent increase in one year.

The hon. member will probably remember—and he referred to it earlier—that the Canadian government sent last winter a mission of co-operation headed by hon. Lionel Chevrier in a few French-speaking countries of Africa. As a result of the work carried out by that mission, the government is implementing 50 projects—I think the hon. member said 49—in seven African countries, which will account for financial commitments of about $30 million in the next three years, and $40 million for the next five years, in addition to programs and projects agreed to before.

[*English*]

CANADIAN BROADCASTING CORPORATION—PROTEST AGAINST PROGRAM RESPECTING ALGONQUIN PARK

Mr. Leonard Hopkins (Renfrew North): For some time now, Mr. Speaker, there has been a prevailing feeling among businessmen in the forest industry, and many of their employees in the Ottawa valley, that the news media, and particularly the C.B.C., has been emphasizing the views of the Algonquin Wildlands League and their allies, who want the forest industry out of Algonquin park. At the same time the forest industry, which for years has been a tradition in eastern Ontario, has been given the short end of the stick. Proof of this can be found in the C.B.C. program "The Way It Is" which was televised a week ago Sunday night, December 1. The portion of that program which dealt with the Algonquin park issue was portrayed so that it left the impression in the minds of the viewers that the lumber industry is made up of a group of irresponsible people.

We are not discussing mediaeval methods of conservation here, but we are discussing forest management. These companies operate under licences and permits which would be cancelled if they violated any of the regulations contained therein. They pay a considerable sum of money for these privileges and pay for fire protection as well. Any company that does not obey the regulations should be disciplined by the Ontario department of lands and forests and not by an emotional and irrational television film presentation.

I should like now to emphasize the importance of jobs for the residents of the upper Ottawa. A week ago last night on "The Way It Is" the employees in the woods operation were portrayed as a group of lumberjacks who did not deserve very much consideration. No serious thought was given to the real economic issue which will be created by a major cut-back in timber operations in Algonquin park or if this industry is phased out in that locality. Let us take a hard look at the person who built up the case against the lumbering industry on "The Way It Is". At the same time, let us remember that this telecast was paid for with public funds. The man who built up the case against the lumber industry was one John Livingston, who I have been told by the C.B.C. was a former employee of the C.B.C., but is now a freelance reporter.

• (10:10 p.m.)

A further investigation has elicited the fact that this same man is a former managing director of the Audubon Society, and as such would naturally be a strong supporter of the Algonquin Wildlands League, and others who are going all out to put pressure on the department of lands and forests of Ontario to reduce greatly or even phase out all timber

operations in the park. The issue that was emphasized was the destruction of the forest, when in fact discussion about forest management was literally cut off.

With this evidence to back up my suspicion and the suspicion of others, there can be little doubt that public funds have been used to pay for the kind of publicity that will in turn mould the public opinion or support that would be needed to create a large scale decline in the forest industry and mass unemployment in the upper Ottawa valley.

As anyone who has some knowledge of forest management knows, there is a big difference between the mediaeval idea of conservation, which is exemplified by no cutting of trees at all, and the modern day conservation concept, which is exemplified by forest management. Timber that is not harvested when it is ripe simply rots and decays and is a lost natural resource. We who live in and around the area of Algonquin park are in favour of the multiple use of the park, and we have never thought otherwise about it.

The Algonquin Wildlands League and their friends are using the news media to confuse the general public and to work upon the emotions of the general public by trying to tell them that conservation means that man never touches the forest, when in fact conservation and forest management are one and the same thing. Those who participated on this issue of Algonquin park in the program "The Way It Is" on December 1 are guilty of this charge.

We in the Ottawa valley welcome and promote the tourist and other visitors to our area at all times but we cannot be so generous as to give up the livelihood of thousands of people without having something else to take its place. If the urban areas in the province of Ontario are so crowded and hectic that we have to destroy half the economy of a large section of this province so that others can find solitude, then I ask if it is not time that far more importance be placed on better roads, and a greater transfer of industrial development to areas that have not witnessed the kind of economic growth that has taken place in many other areas. If some of those who want to move more people from rural areas into the urban areas of Canada are already frustrated by the hectic life in urban Canada, why then is it their desire to transfer more people to an area of frustration?

Let us look at the "gut" issue that is at stake here. If mass news media such as the C.B.C., and newspapers with large circulations, in which we find uninformed and emotional letters by people who talk about an Algonquin wilderness, succeed in so moulding public opinion, then many communities for miles around the park will be affected economically. This would not only affect industrial establishments in the towns and villages in the upper Ottawa valley, but would also affect other industries across the country to whom many of the forest products are sold. But then, of course, perhaps our idealists would like to see the forest industry fall into the hands of millionaire operators such as E. P. Taylor, and eventually create an even worse monopolistic system than that which is in existence today. If we are to have freedom in Canada there must be room for the smaller businessman.

These are factors that have been ruthlessly shoved aside by those who are more interested in their own selfish solitude than they are in the economy and the livelihood of the area surrounding Algonquin park. It is interesting to note, Mr. Speaker, that one of the directors of the Algonquin Wildlands League is a canoe outfitter whose business is just outside Algonquin park. Can a man in this position be considered an unprejudiced promoter?

There is another interesting point that I would like to point out to Mr. Livingston, who seems to take delight in attacking the forest industry. Sixty-two per cent of the fires in Algonquin park are caused by recreationists, rather than by people who work in the forest industry. As we know, fires destroy large amounts of good forests annually. It is too late to start to build a road when a rampant fire is destroying hundreds of acres of inaccessible timber. Therefore those who complain about the building of roads in the park are not being constructive in their thinking, or conservation minded.

The C.B.C. has an obligation to film some of the constructive things done by the forest industry. Among these must be included visits to mills and veneer plants in order to portray a true picture to the general public. It is a sorry day when the C.B.C. will produce only the informative side of the story, after it has received over 100 letters of complaint, most of them from people who were educated in forest management, as well as several telephone calls which outlined the complete bias and emotional approach to ideas of conservation.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Proceedings on Adjournment Motion

Mr. Hopkins: Mr. Speaker, in closing—

Mr. Deputy Speaker: Order, please. I am afraid the hon. member's time has expired.

Mr. Stanbury: Mr. Speaker, I am willing to yield some of my time to the hon. member, for him to express his complaints and interest, if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order, please. Unfortunately that is not in order in these proceedings. I think it would set a dangerous precedent.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am sure nothing the hon. member would say could be dangerous to this house. The hon. member, who is concerned with preserving the interests of his constituents, thinks those interests may have been threatened by what he considers a biased presentation on a public affairs program. I need not remind the hon. member that programming on the C.B.C. is completely a matter for the corporation and is in no way under the control of the government. In the past the C.B.C., by its programs, has brought to the attention of the Canadian public certain problems which are of acute interest to all Canadians. The preservation of our natural resources interests us all, as does the pollution of our atmosphere, streams, rivers and lakes.

I am informed by the corporation that an effort was made in this case to describe both sides of the question in the program referred to by the hon. member. I understand it was explained that the logging operations were conducted at a reasonable distance from the highway crossing Algonquin Park. That precautions were taken not to damage or divert streams, and that in some cases the felling of trees was of considerable benefit to surrounding trees. I also understand that the producers of the program did not intend it to be an in depth study of the question but rather they hoped to make a reasonable presentation of the problem of our diminishing forest resources.

I am aware, however, that the hon. member takes a different view of that presentation. He has expressed a contrary opinion and has made suggestions which, I can assure him, will come to the attention of the corporation and be given careful consideration.

[Mr. Deputy Speaker.]

BROADCASTING—INQUIRY AS TO REQUEST FOR TAPES OF NEWS BROADCASTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, on Thursday last as reported at page 3527 of *Hansard* I asked the following question:

> Mr. Speaker, may I direct a question to the Prime Minister. Did any member of the task force on government information services, set up by the right hon. gentleman, request the Canadian Radio-Television Commission to ask Canadian radio stations to provide tapes of their news broadcasts to the commission?

The Prime Minister replied:

> Not that I know of, Mr. Speaker, but I will gladly inquire.

• (10:20 p.m.)

The next day, on Friday, after setting forth the question, he said as reported at page 3592: "The answer is, no, Mr. Speaker."

Later that afternoon as the result of further information I acquired, I telephoned the Prime Minister's office to suggest that the answer be looked into. Still later, about two o'clock on Friday afternoon, I received actual confirmation as to the type of letter which was being sent to various broadcasters across Canada. From notes I took down, the first paragraph of the letter was to this effect:

> The special task force on government information is undertaking a study of newscasts from a representative group of radio stations and has asked the C.R.T.C. to assist by suggesting appropriate sample stations and by contacting the stations to ask for recordings or preferably the scripts of all newscasts broadcast within a specified time period.

I have a motion on the order paper, No. 53, for the production of the letter concerned, and a number of questions wrapped up in one comprehensive question which is also on the order paper.

Today, at the earliest opportunity to answer me, since I was not here yesterday when motions were called, the Prime Minister (Mr. Trudeau) acknowledged that the request had in fact been made, and his answer will be found in today's *Hansard*.

I draw three conclusions from this. First, I think the advisors of the Prime Minister should be called into question. They should not put into the mouth of the right hon. gentleman wrong information to give to the House of Commons. I believe this has placed him in an awkward spot. I do not for a moment suggest that he intended to fall into it. He had simply been given wrong information by people in the public service. Second, it is obvious that top management of either

the Canadian Radio and Television Commission or of the special task force did not know what the lower levels of both groups were doing. Third, to come to the substance of the request made by this person working for the C.R.T.C., I think it is an abuse of what that organization was established to do. I do not think the C.R.T.C. should be tied in with what many newsmen, particularly broadcasters, consider to be attempts to strengthen the propaganda efforts of the government.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): I appreciate the hon. member's courtesy in not attributing to the Prime Minister any fault in the manner in which the hon. member's question was answered. I think it has been made very clear that, in the terms in which the question was asked, it was properly answered. However, the Prime Minister has attempted to give the fullest possible information in the spirit of the question, and I hope he has done so. I shall not attempt to defend the public servants whom the hon. member has attacked. I regret he has seen fit to do so. I also regret that he should have put in the mouths of unnamed journalists, particularly broadcasters, an accusation that the work of the task force is somehow activated by motives lower than those set out for it by the Prime Minister.

The hon. member must know that the C.R.T.C. has a regulation that radio stations should keep all scripts and tapes of news broadcasts for 30 days, and that such records are from time to time requested by the C.R.T.C., for examination and assessment. I understand from the C.R.T.C. that anyone who wishes to listen to these tapes here in Ottawa may do so. In fact, the C.R.T.C. would request and obtain a tape from a radio station for such a purpose. There is obviously nothing sinister or improper about this. It seems to be a normal and proper function of the C.R.T.C. and the C.R.T.C. would appear to be the proper agency to make such surveys, if they need to be made.

Motion agreed to and the house adjourned at 10.28 p.m.

29180—241

HOUSE OF COMMONS

Wednesday, December 11, 1968

The house met at 2.30 p.m.

POWER

TABLING OF REPORT ON LONG DISTANCE TRANSMISSION

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to table the report to the federal-provincial ministerial committee on long distance transmission. The report is entitled "Regional and national electric transmission systems for Canada—stage II assessment". Appended to this report is the main volume of the report by the consultants of the committee.

Mr. Speaker: Has the minister leave to table this document?

Some hon. Members: Agreed.

CRIMINAL CODE

PENALTY AND PROHIBITION ORDER FOR CRUELTY TO ANIMALS

Mr. W. B. Nesbitt (Oxford) moved for leave to introduce Bill No. C-142, to amend the Criminal Code (cruelty to animals).

Some hon. Members: Explain.

Mr. Nesbitt: Mr. Speaker, this bill is designed to put a few teeth in the law in respect of those who mistreat animals, both domestic animals and others, and provide a minimum penalty for those so convicted and also an order against those who have been convicted once prohibiting them from keeping animals or birds of any kind in their possession for a period of two years.

I hope perhaps this and other, similar bills will be referred to the standing committee on justice and legal affairs.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MANPOWER TRAINING INSTITUTIONS

Question No. 193—**Mr. Harding:**

1. How many new training institutions, which can be utilized by "Canada Manpower" for its training programs, will be completed in Canada, by provinces, by (a) December 31, 1968, (b) December 31, 1969?

2. Does the federal government share in the cost of this new construction and, if so, on what basis?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Number of training institutions to be completed by the end of:

	Dec. 1968	Dec. 1969
Newfoundland	0	0
P.E.I.	0	0
Nova Scotia	1	3
New Brunswick	0	1
Quebec	2	Could not be established
Ontario	6	5
Manitoba	0	15
Saskatchewan	0	1
Alberta	0	3
British Columbia	0	0
Yukon Territory	0	0
North West Territories	0	1

2. Under the Adult Occupational Training Act the federal government continues reimbursing the provinces for approved expenditures incurred in providing vocational training facilities, up to a maximum of $800 per person in the 15-19 year age-group in the province (Census 1961). Federal share is 75% of approved expenditures up to $480 per capita, and 50% for the remaining $320 per capita.

CANADA MANPOWER TRAINING CAPACITY

Question No. 198—**Mr. Harding:**

1. What was the total training capacity available to "Canada Manpower" by province, for 1967 and 1968?

2. How much of this total training capacity was utilized by "Canada Manpower" in 1967 and 1968?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. In general, the total training capacity available to the occupational training for adults program is sufficient to accommodate clients of Canada manpower centres referred to the program. This is especially true for courses such as language training and educational up-grading

that do not require special facilicites. In certain communities, however, facilities for vocational and technical courses are either non-existent or scarce. In such cases, candidates for training are either sent to training centres in other communities or are asked to wait until training places become available. In many instances, training centres operate two or even three shifts daily in order to accommodate adults who were referred to training.

Another factor affecting the capacity is the availability of suitable instructional staff. The provinces are aware of the problem and are taking appropriate steps to solve it.

The level of training under this program is by and large determined by the availability of suitable adults who can benefit from training by acquiring skills which are in demand, and by the funds made available by parliament.

2. In the fiscal year 1967-68, the following numbers of adults were enrolled under the program: Newfoundland, 4,119; P.E.I., 1,474; Nova Scotia, 4,729; New Brunswick, 4,756; Quebec, 68,748; Ontario, 69,049; Manitoba, 5,979; Saskatchewan, 4,761; Alberta, 11,168; British Columbia, 8,625; Yukon, 132; Canada, 183,540.

As the budget for the fiscal year 1968-69 is substantially higher than that for the previous year, it is expected that enrolments will be higher in all provinces.

MANPOWER TRAINING PROGRAM

Question No. 208—**Mr. Harding:**

1. How many persons in Canada, by provinces, are currently being trained under Canada Manpower?

2. What is the estimated cost for 1968, by provinces, of this training programme?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. As of November 29, 1968 the following numbers of adults were enrolled in OTA courses: Newfoundland, 2,091; P.E.I., 984; Nova Scotia, 3,493; New Brunswick, 1,502; Quebec, 20,100; Ontario, 17,986; Manitoba, 2,388; Saskatchewan, 2,141; Alberta, 3,871; British Columbia, 2,550; Canada, 57,106.

2. The OTA budget is allocated to the five administrative Regions of the Department. The 1968-69 allocation is as follows: Atlantic region, $26.3 million; Quebec region, $67.3 million; Ontario region, $66.0 million; Prairie region, $27.0 million; Pacific region, $10.5 million.

[Mr. MacEachen.]

MANPOWER TRAINING PROGRAMS AND CENTRES

Question No. 209—**Mr. Harding:**

1. Under the Canada Manpower Training Plan in 1967 and 1968, by provinces, what were the training programmes in effect and the number of persons in each programme?

2. How many training centres were utilized by "Manpower" in each province for (a) 1967, and (b) 1968 (to date)?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. In the fiscal year 1967-68 the following numbers of trainees were enrolled under the OTA legislation:

	Adults under OTA	Trainees under the Phase-Out Agreement
Newfoundland	4,119	3,813
P.E.I.	1,474	666
Nova Scotia	4,729	5,267
New Brunswick	4,756	3,197
Quebec	68,748	39,776
Ontario	69,049	34,671
Manitoba	5,979	5,089
Saskatchewan	4,761	3,631
Alberta	11,168	7,744
British Columbia	8,625	6,084
N.W.T.	—	58
Yukon	132	97
Canada	183,540	110,093

For the fiscal year 1968-69 the numbers of trainees are not yet available. Enrolments as of November 29, 1968 are given in the answer to question 208.

2. The number of training institutions utilized by Canada Manpower in 1967-68 and 1968 (up to September 30) is as follows:

	1967-68	1-3-68 to 30-9-68
Newfoundland	15	16
P.E.I.	9	25
Nova Scotia	27	50
New Brunswick	43	76
Quebec	334	651
Ontario	79	94
Manitoba	63	95
Saskatchewan	22	43
Alberta	23	81
British Columbia	36	34
Yukon	2	1
N.W.T.	—	1
TOTAL	653	1,167

MANPOWER TRAINING, 1967

Question No. 210—**Mr. Harding:**

1. How many persons in Canada, by provinces, were trained under "Canada Manpower" in 1967?

2. What was the total cost, by provinces, of this training programme in 1967?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. In the fiscal year 1967-68 the following numbers of trainees were enrolled under the OTA legislation:

	Adults under OTA	Trainees under the Phase-Out Arrangement
Newfoundland	4,119	3,813
P.E.I.	1,474	666
Nova Scotia	4,729	5,267
New Brunswick	4,756	3,197
Quebec	68,748	39,776
Ontario	69,049	34,671
Manitoba	5,979	5,089
Saskatchewan	4,761	3,631
Alberta	11,168	7,744
British Columbia	8,625	6,084
N.W.T.	–	58
Yukon	132	97
Canada	183,540	110,093

2. The total cost to the federal government in the fiscal year 1967-68 for training under the OTA legislation was as follows:

	$
Newfoundland	6,588,000
P.E.I.	928,000
Nova Scotia	6,349,000
New Brunswick	3,974,000
Quebec	48,691,000
Ontario	52,469,000
Manitoba	7,267,000
Saskatchewan	5,437,000
Alberta	8,586,000
B.C. and Yukon	7,598,000
Canada	147,887,000

ADULT MANPOWER TRAINING BY PROVINCES

Question No. 258—**Mr. Harding:**

What is the amount of training under the Adult Occupational Training Act which Canada Manpower agreed to purchase for (a) each of the provinces in the fiscal year ended March 31, 1968 (b) each of the provinces in the fiscal year ending March 31, 1969?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): (a) In the fiscal year 1967-68, the department purchased places for the following numbers of adult trainees:

	Adults under OTA
Newfoundland	4,119
P.E.I.	1,474
Nova Scotia	4,729
New Brunswick	4,756
Quebec	68,748
Ontario	69,049
Manitoba	5,979
Saskatchewan	4,761
Alberta	11,168
British Columbia	8,625
N.W.T.	–
Yukon	132
Canada	183,540

(b) Negotiations for purchases for the current fiscal year are not yet completed, but the department expects that these purchases will be substantially higher in all provinces than last year.

ASSISTANCE TO NOVA SCOTIA ON STEEL INDUSTRY TAKEOVER

Question No. 538—**Mr. Muir (Cape Breton-The Sydneys):**

1. What has been the total amount of the assistance that has been made available to the Government of the Province of Nova Scotia by the federal government in the province's take-over of the steel industry on Cape Breton Island, have these monies been paid to the government and, if not, for what reason?

2. What arrangements have been made by the federal government to turn over the federal government's rights to certain loans made to the Dominion Steel and Coal Company for the construction of dock loading facilities at Sydney, Nova Scotia?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. $9.9 million, of which $2 million has been paid to the government of Nova Scotia. The remainder consists of (a) direct payments to the steel company; (b) turning over to the province of rights to loans made to the former owner.

2. Final arrangements to take up the federal offer are now under discussion with the province.

Questions

TAX ADVANTAGES THROUGH EXPORT SALES

Question 547—**Mr. Saltsman:**

Have any companies requested and received tax advantages on the basis that most of its product is sold outside Canada and, if so, what are the companies and what tax advantages have been accorded?

Hon. E. J. Benson (Minister of Finance): Under the authority of the Customs and Excise Tax Acts, and regulations thereunder, drawback or repayment may be made of 99 per cent of customs duties and excise and/or sales taxes paid on imported goods and materials used or directly consumed in, wrought into or attached to any articles manufactured or produced in Canada and exported therefrom. There are some 9,500 firms in Canada directly or indirectly involved in the import and re-export of goods and which normally qualify for drawback of duties and taxes under this authority. The names of these firms are not published.

Remissions of customs duties and, on certain occasions of sales taxes, have been made under the authority of Section 22 of the Financial Administration Act in respect of machinery and equipment for use primarily in the production of goods for export. Remission of duties has also been extended in certain instances to materials for use in the manufacture of goods produced in Canada exclusively for export. The Financial Administration Act requires that a statement of each remission of $1,000 or more granted under Section 22 of the Act, must be reported to the House of Commons in the Public Accounts.

In respect of tooling, machinery parts or accessories supplied by a prime contractor abroad to a Canadian manufacturer under the terms of a subcontract to produce goods for export, there is a standing provision under the authority of Section 22 of the Financial Administration Act for remission of the customs duty and excise taxes in excess of those payable on one-sixtieth of the value of the goods for each month that the goods remain in Canada. Remissions under this authority in excess of $1,000 are reported in the Public Accounts.

C.B.C. TELEVISION, SASKATCHEWAN

Question No. 553—**Mr. Burton:**

1. Has the CBC made application to the Canadian Radio Television Commission for a licence to operate a television station in Saskatchewan and, if so, what is the current position of this application?

[Mr. Honey.]

2. Does the CBC hold an option for the purchase of a television station in Saskatchewan and, if so (a) what is the name of the station (b) when does the option expire?

3. What other plans does the CBC have for television facilities in Saskatchewan?

Hon. John C. Munro (Acting Secretary of State): I am informed by the C.B.C. as follows: 1. Yes. An application for a C.B.C.-owned outlet in Saskatoon is being held in abeyance at the request of the corporation pending the outcome of negotiations for the sale of CHAB-TV Moose Jaw and CHRE-TV Regina.

2. No. C.B.C. is negotiating for the purchase of CHAB-TV Moose Jaw and CHRE-TV Regina.

3. These are subject in part to the outcome of the Regina-Moose Jaw negotiations but it is hoped to extend the English language service to other parts of the province including a C.B.C. outlet at Saskatoon. The broadcasting needs of French speaking Canadians across the country have been the subject of a major study by C.B.C. during the current year. The final report is now being assessed with a view to further extension of the French language service to groups not presently served, including those in Saskatchewan.

ENTRY OF STOKELY CARMICHAEL

Question No. 554—**Mr. Coates:**

1. Was the recent visit of Stokely Carmichael sponsored by any organization in Canada and, if so, what is the name of that organization?

2. On what basis was Stokely Carmichael allowed to enter Canada, were any limits placed on his travels in this nation or any time limit on the period he might remain in this country?

3. Did the government have the option of either allowing Stokely Carmichael to enter Canada or to remain outside and if this option were available, what reasons can the government give for allowing him to enter Canada?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Yes. Mr. Carmichael came to Canada to address the Congress of Black Writers conference which was sponsored by the Caribbean Students Society of McGill University and organized by the Congress of Black Writers committee.

2. Mr. Carmichael was allowed to enter Canada as he is not deemed to be within the classes of people prohibited admission under the Immigration Act. In such circumstances, the act compels the examining officer to grant entry. This was done for the period October 13 to 16. No restrictions were placed on his travels in Canada by immigration authorities.

3. No. See answer to question two.

PAINTING OF FEDERAL BUILDING, STELLARTON, N.S.

Question No. 560—**Mr. MacEwan:**

1. Were public tenders called for the painting of the Federal Building at Stellarton, Nova Scotia and, if not, what firms or individuals were asked to tender for this work?

2. To whom has the contract been awarded, and what is the amount of same?

Hon. Arthur Laing (Minister of Public Works): 1. No. Tenders were invited from the following: Martin Cameron, Pictou, N.S., John Andrews, New Glasgow, N.S., Kimbal Lucas, New Glasgow, N.S., Parker Bros. Ltd., Halifax, N.S.

2. A contract was awarded to Kimbal Lucas, October 23, in the amount of $2,455.

INDIAN CHIEFS AND COUNCILLORS

Question No. 619—**Mr. Stanfield:**

1. As of October 1, 1968, how many Indian Chiefs were there who are recognized as such by the Superintendent General of Indian Affairs?

2. Of these, how many were in full, part-time or casual employment by the Government of Canada, or any federal agency or Crown corporation?

3. As of October 1, 1968, how many Indian persons held office as councillors or other elected officials in Indian Bands in Canada?

4. Of these, how many were in full, part-time or casual employment by the Government of Canada or any federal agency or Crown corporation?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 531.

2. 76.

3. 1,786.

4. 191.

STUDIES BY CONSULTANTS, MANPOWER AND IMMIGRATION

Question No. 630—**Mr. Orlikow:**

1. Since the Department of Manpower and Immigration was established, how many consultant firms have been awarded contracts to conduct studies within the Department?

2. (a) What was the name and address of each consultant firm which has received contracts from the Department of Manpower and Immigration since the Department was established (b) what has been the total payment made to each firm to date?

3. How many of each consultant's recommendations have been adopted by the Department of Manpower and Immigration to date and what are the names of the firms making the recommendations adopted?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Five.

2. (a) Hickling and Johnson Limited, 120 Avenue Road, Toronto 5, Ontario, (b) $6,115.62; Operations Research Incorporated, Silner Springs, Maryland, U.S.A., $98,658.88; Kates, Peat, Marwick and Company, 4 King Street, West, Toronto 1, Ontario, $24,000.00; Operations Research Industries, 151 Slater Street, Ottawa, Ontario, $162,649.78; Belanger, Ouellette and Associates Inc., 1224 West Ste Catherine, Montreal 25, Que., $37,112.83.

3. Hickling and Johnson Limited, 19; Operations Research Incorporated, 1; Kates, Peat, Marwick and Company, final report not received; Operations Research Industries, recommendations being considered; Belanger, Ouellette and Associates, recommendations being considered.

"DIRECTORY OF CANADIAN EMPLOYERS"

Question No. 669—**Mr. Thompson (Red Deer):**

1. To how many persons engaged in post graduate study or research outside Canada was the publication "A Directory of Canadian Employers" distributed?

2. Are all of these persons Canadian citizens?

3. What was the cost of circulation of the booklet?

4. What was the purpose of the circulation of the booklet?

5. What other programs are designed to encourage Canadian citizens, who are engaged in post graduate study or research outside of Canada, to return to Canada to pursue their careers?

6. What programs of financial assistance are available from the Government of Canada to Canadian citizens engaged in post graduate study of research outside of Canada?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. The "Directory of Canadian Employers" was mailed to 2650 Canadians in post graduate study or research outside Canada.

2. All those in receipt of the directory identified themselves as Canadian citizens.

3. The cost for printing and circulating the booklet was $3,500.

4. The purpose of the circulation was to assist Canadian students at foreign universities investigate employment opportunities at home. This was to ensure that these highly qualified individuals would have the same opportunity of being considered for vacant positions as Canadian students at home.

5. The program, "Operation Retrieval" is designed to encourage Canadian students abroad to return to Canada upon completion of their studies. My department provides

them with labour market information. At major universities in the United States where there is a sizeable number of Canadian students, additional information on employment opportunities is provided by visiting teams. These teams are comprised of representatives of Canadian universities, the Public Service Commission and the Department of Manpower and Immigration.

6. Financial assistance is available to Canadians engaged in post graduate study or research outside Canada through the National Research Council and the Canada Council. Although there is no single program of federal aid to all graduate students in all fields, many departments of the federal government offer awards to graduate students who are engaged in an area of study which is related to their particular interests.

PRESS RELEASES, MANPOWER AND IMMIGRATION DEPARTMENT

Question No. 722—**Mr. Howard (Skeena):**

1. Does the Department of Manpower and Immigration 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 manhours consumed in the preparation, production and distribution of such documents?

Answer: 1. Yes; since 1 July 1968, a total of 7 press releases have been issued.

2. (a) $77.60; (b) $3.23; (c) $44.07; (d) $98.76; (e) 1040.74.

3. (a) No. 7 bond, white, 32M; (b) 23688 sheets were used at a cost of $97.73.

4. The estimated number of manhours consumed in preparation was 99; in production was 25⅓; and in distribution was 20.

HIGHWAY AND BRIDGE TOLLS, EASTERN TOWNSHIPS

Question No. 727—**Mr. Beaudoin:**

Has the government received from Chambers of Commerce and other intermediary bodies, especially in the Eastern Townships, representations regarding abolition of tolls on the Eastern Townships Autoroute and the Champlain Bridge and, if so, what is its policy in this regard?

Hon. Paul Hellyer (Minister of Transport): In so far as the Champlain bridge is concerned, representations have been received for the abolition of tolls on that bridge and such representations are carefully studied. No change in the present policy of Champlain bridge tolls assessment is contemplated at this time.

*ROCK ISLAND, QUE.—PROTESTS AGAINST NEW POST OFFICE

Question No. 761—**Mr. Diefenbaker:**

1. Has the government received protests from the Mayor and other citizens of Rock Island, Quebec, protesting the construction of a new post office, on the grounds that it is not needed and is an unnecessary expenditure?

2. If so, does the government intend to go ahead with the construction?

3. Has it entered into an option for the purchase of, or has land been purchased, upon which the said post office is to be located and, if so, at what price?

4. What is the estimated cost of the new post office?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, the answer to part of this question is yes. Several written protests have been received from citizens of Rock Island.

The answer to part 2 is that the matter has been reopened and a new study is now under way.

The answer to part 3 is no.

The answer to part 4 is that it is not applicable.

Although the right hon. gentleman is not present today, I would nevertheless apologize for the delay in answering this question.

WINTER WORKS EXPENDITURES, TEMISCAMINGUE CONSTITUENCY

Question No. 808—**Mr. Caouette:**

1. How much did the federal government spend through its Winter Works Program in the federal constituency of Temiscamingue in each of the years from 1962 to 1968 to date?

2. How much was spent in each municipality during these same years?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1.

Program Year	Federal Contributions $
1961-62	225,129.10
1962-63	475,199.43
1963-64	605,360.92
1964-65	467,014.87
1965-66	360,955.09
1966-67	248,054.69
1967-68 to November 25, 1968 (some claims are outstanding)	145,756.25

2.

Municipality	Federal Contributions 1961-62 to Nov. 25, 1968 (some claims are outstanding) $
Angliers	43,425.06
Arntfield	23,149.14
Beaudry	106,144.63
Bellecombe	11,372.23
Belleterre	8,933.66
Cloutier	58,203.15
Dubois	10,870.95
Duhamel Ouest	19,066.92
Evain	104,821.61
Fugèreville	53,497.30
Granada	34,175.54
Guérin	53,333.03
Laforce	39,848.65
Laniel	1,185.05
Latulipe et Gaboury	85,596.25
Lorrainville	52,903.53
Moffet	71,263.87
Montbeillard	39,379.05
Nédelec	164,588.88
Noranda	179,663.79
Notre Dame de Lourdes de Lorrainville	86,397.10
Notre Dame du Nord	55,756.60
Rémigny	78,851.82
Rollet	136,142.61
Roulier	36,055.71
Rouyn	491,116.34
Ste Agnes de Bellecombe	67,151.31
St. Bruno de Guigues	91,149.74
St. Edouard de Fabre	61,054.22
St. Eugène de Guigues	33,802.18
St. Isidore	50,180.51
St. Placide de Bearn	52,904.89
Ville Marie	123,936.91
Winneway	1,518.12

[*English*]

WINTER WORKS EXPENDITURES, BEAUCE CONSTITUENCY

Question No. 832—**Mr. Rodrigue:**

Since the commencement of the Winter Works Program, what amounts were provided for each of the parishes and cities within the constituency of Beauce?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration):

Municipality	1958-59 to Nov. 28, 1968 (some claims are outstanding) $
Aubert Gallion	35,379.33
Beauceville	11,873.74
Beauceville East	124,541.55
Lac Poulin	11,045.78
L'Enfant Jésus	10,781.42
Linière	26,347.02
Notre Dame de la Providence	23,163.90
St. Alfred	114,246.19
St. Anges	98,470.17
Ste Aurélie	19,993.25
St. Benjamin	103,835.96
St. Benoit de Labre	254,702.22
St. Côme de Kennebec	167,609.59
St. Edouard de Frampton	43,977.01
St. Elzear	26,311.82
St. Elzear de Beauce	118,569.50
St. Ephrem de Beauce	188,076.39
St. Ephrem de Tring	22,065.53
St. François de Beauce	152,701.39
St. François West	110,138.00
St. Frederic	139,240.10
St. Gedeon (village)	62,448.06
St. Gedeon (parish)	141,904.12
St. Georges	804,015.58
St. Georges East	245,926.51
St. Georges West	456,452.65
St. Hilaire de Dorset	81,515.27
St. Honoré	164,612.16
St. Jean de la Lande	136,605.91
St. Joseph de Beauce (town)	113,358.84
St. Joseph de Beauce (parish)	162,371.36
St. Joseph des Erables	88,917.58
St. Jules	134,910.24
Ste Marie (parish)	155,921.97

Questions

Municipality	1958-59 to Nov. 28, 1968 (some claims are outstanding) $
Ste Marie (town)	43,125.05
St. Martin	138,910.80
St. Odilon de Cranbourne	93,428.03
St. Philibert	69,900.46
St. Prosper	283,925.40
St. René	79,407.53
St. Robert Bellarmin	112,807.05
St. Séverin	84,324.07
St. Simon les Mines	64,361.98
St. Théophile	43,840.95
St. Théophile de la Beauce	57,329.44
St. Victor	65,879.74
St. Victor de Tring	177,393.59
St. Zacharie (village)	13,333.90
St. Zacharie (W.D.)	65,575.11
Shenley	38,574.41
Tring Jonction	196,986.64
Vallée Jonction	22,582.59

HARBOUR AND AIRFIELD IMPROVEMENTS, GEORGIAN BAY AREA

Question No. 833—**Mr. Noble:**

1. Does the federal government intend giving prompt attention to improving Collingwood outer harbour so that larger ships may make use of the dry dock facilities?

2. Does the government contemplate building any ships in the foreseeable future on which shipyards in the Great Lakes area might be given an opportunity to tender?

3. Has the government any plans for the establishment of an airfield in the Eastern Georgian Bay area?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works, Defence Production and Transport as follows:

1. Preliminary engineering investigations have been made and studies are continuing into the economic aspects of this major project. No decision has yet been reached.

2. Yes.

3. No.

Question No. 865—**Mr. Caouette:**

What amounts have been given to each of the provinces in aid to specialized technical schools since the setting up of such program?

[Mr. MacEachen.]

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration):

Federal Capital Grants
Toward Provincial Vocational Facilities
As of September 30, 1968

Province	Total Payments $
Newfoundland	22,358,946
Prince Edward Island	2,725,196
Nova Scotia	23,433,445
New Brunswick	9,499,178
Quebec	203,427,234
Ontario	316,165,512
Manitoba	17,883,911
Saskatchewan	25,410,762
Alberta	73,829,345
British Columbia	51,054,755

[*English*]

FAMILY ALLOWANCES

Question No. 868—**Mr. Caouette:**

1. How many children in Canada receive Family Allowances?

2. Does the government intend to increase the amount of Family Allowances and to extend them to students as well?

[*Translation*]

Hon. John Munro (Minister of National Health and Welfare): 1. 6,884,212 as of October, 1968.

2. If the Government decides to propose an increase in Family Allowances rates, it will be announced in the usual way. With respect to students, allowances are payable, under the federal Family Allowances Program, for children under 16 and thus students are included. The Youth Allowances Program provides for an allowance for young people aged 16 and 17 who are students or who are prevented from attending school by a physical or mental disability. The federal Youth Allowances Program does not operate in Quebec but similar payments are made by the Quebec Government and the Federal Government reimburses Quebec for the cost of such payments.

[*English*]

DISTRIBUTION OF STATEMENT ON ESTIMATES BY LABOUR MINISTER

Question No. 872—**Mr. Nielsen:**

1. What was the total cost of production and distribution of "Introductory Statement by the Minister of Labour in presenting the Canada

Department of Labour Estimates Fiscal Year 1968/69 to the House of Commons Committee on Supply November 21, 1968" issued by the Information Services of the Department of Labour?

2. How many copies were produced, to whom was distribution made and, what was the cost of production of one copy?

3. (a) Does the text differ in any material respect from the statement of the Minister of Labour on presenting the estimates of his Department on Thursday, November 21, 1968, in the Committee of Supply as recorded in *Hansard* pages 3014 to 3018 inclusive (b) if material differences do exist what is the explanation therefor?

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): 1. $365 (Queen's Printer charges for time, plates and stock.)

2. 3,565 copies. Distribution: Daily and weekly press, independent journalists, 1,205; Labour publications, union officials, 220; Press gallery (Ottawa), 154; M.P.'s and Senators, 600; Federal government departments and agencies (e.g. U.I.C., Manpower Centres, etc.), 556; Provincial government, labour departments, etc., 63; General business and industry, 546; Universities and industrial relations institutes, 72; Total, 3,416. Unit cost of production—10 cents.

3. (a) and (b) Text contains no material difference except pages 14 to 16 dealing with the vote structure were not included in the minister's statement in the house because every member of the Committee had a printed copy of the revised estimates 1968-69 before him; the vote structure and other financial implications referred to in the text were self evident from the printed estimates.

PRESS RELEASES, INDIAN AFFAIRS AND NORTHERN DEVELOPMENT DEPARTMENT

Question No. 875—**Mr. Howard (Skeena):**

1. Does the Department of Indian Affairs and Northern Development 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. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes—104.

2. (a) $435 approximately; (b) Nil—Stencils are not used. Releases are printed by off-set process directly from a repro-copy; (c) and (d) $3,205.55 approximately; (e) The addressing process is done in one location for the whole department. Addressing releases is only a small part of this operation and no cost assessment is available.

The department is charged annually by post office for all postage cost on a bulk payment basis. It is not possible to assess the cost of mailing releases. However, releases are distributed by hand to the press gallery and other news media in Ottawa. Cost of this service amounts to $423.

3. (a) Bond paper No. 7, 16 lbs.; (b) 234,000 sheets—$463.32.

4. 300 hours approximately.

*GRANT TO B.C. FOR P.G.E. EXTENSION

Question No. 920—**Mr. Borrie:**

1. Has the Province of British Columbia been given a grant or subsidy toward extension of the Pacific Great Eastern Railway from Fort St. John to Fort Nelson, British Columbia?

2. If so, what is the amount of the grant or subsidy?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, my answer to part 1 of the question is no, and to part 2 is that it is not applicable.

ATLANTIC DEVELOPMENT BOARD

Question No. 972—**Mr. Muir (Cape Breton-The Sydneys):**

1. Who is the member of the Queen's Privy Council for Canada designated as the Minister for purposes of the Atlantic Development Act and on what date was such designation, if any, made?

2. Have any Orders-in-Council relating to the proposed Department of Regional Development, the Department of Forestry and Rural Development and any other departments been passed which in any way affect the operation of the Atlantic Development Board under the provisions of the Atlantic Development Act and, if so, in what manner?

3. (a) Have any steps been taken, either by way of Order-in-Council or by departmental or inter-departmental action, to alter the direct relationship previously enjoyed between the Atlantic Development Board and the designated Minister (b) has any such action as mentioned above affected the statutory obligations upon the Atlantic Development Board in relation to the Economic Council of Canada (c) has any such action as mentioned above affected the Atlantic Development Board's

independence of action in discharging any of the statutory obligations laid upon it by virtue of Section 9 of the Atlantic Development Board Act as amended in Chap. 5, 12 Eliz. II, 1963?

4. Will the Atlantic Development Board continue to be able to make plans, proposals and recommendations and carry out certain works, subject only to approval of the Treasury Board and the Governor-in-Council, or will it, in the future, have to receive approval of the departmental deputy-minister?

5. Is it the intention of the government to put the present Atlantic Development Fund amounting to some $150 millions in a common pool of funds for the development purposes or will the Atlantic Development Board still have access to this Fund as a separate and distinct entity?

6. What is the intention of the government in regard to other funds now administered by the Atlantic Development Board—specifically, statutory road money amounting to $55 millions; the Bell Island Fund for housing, etc., of $1,750,000; the special transfer to the Government of the Province of Nova Scotia of $2 millions in connection with the take-over of the DOSCO Steel installation on Cape Breton Island?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. The Minister of Forestry and Rural Development, 12 July 1968.

2. No.

3. (a) No; (b) No; (c) No.

4. The Atlantic Development Board, under its legislation, does not make submissions to Treasury Board. It makes recommendations to the minister as to submissions. No change has been made in this procedure.

5 and 6. Any changes would be a matter of future legislation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I realize that this is about the fifth time of asking, but I am still looking for answers to my questions about the pensions of retired civil servants. They were filed on September 12. How many more times must I ask?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, it is my understanding the hon. member will have to ask every day until the 15th.

Mr. Knowles (Winnipeg North Centre): I shall do so.

[*Translation*]

MOTION FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you kindly call notice of motion No. 50?

[Mr. Muir (Cape Breton-The Sydneys).]

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

[*English*]

MOVE OF AIR CANADA BASE FROM WINNIPEG

Motion No. 50—**Mr. Fortin:**

That an Order of the House do issue for a copy of all extracts of the minutes of the Board of Directors of Air Canada concerning the move of the maintenance base from Winnipeg to Montreal and of all correspondence exchanged between the government and Air Canada in connection with this matter.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, as all members of parliament will appreciate, this motion relates to correspondence that has always been claimed to be privileged, not public documents. The tabling of such items as the minutes of meetings of the boards of directors of crown corporations and correspondence between the government and such crown corporations could create a precedent that would require the production of documents in the future that would interfere with the competitive position of the companies. For these reasons I would ask the hon. member to agree to withdraw his motion.

[*Translation*]

Mr. Fortin: Mr. Speaker, as it is very difficult to obtain information from crown corporations, I should like to transfer this notice of motion for debate, since I do not accept what the Minister of Transport has just said.

[*English*]

Mr. Speaker: Transferred for debate, pursuant to standing order 47.

CANADIAN CONSTITUTION

QUEBEC—REQUEST FOR POSTPONEMENT OF CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister a question arising out of the illness of the Prime Minister of Quebec and the report that the government of Quebec is seeking to have the federal-provincial constitutional conference postponed. What is the position of the government of Canada with regard to this reported request from the government of Quebec?

Right Hon. P.-E. Trudeau (Prime Minister): I received from the Prime Minister of Quebec

slightly after noon today a telephone call saying that he was in the hospital, and that he was forbidden to leave for some period of time. He asked if we could postpone the federal-provincial conference. I undertook to consult the various premiers and Prime Ministers of the provinces to see if they would agree to such a postponement. I sent telegrams to that effect about an hour ago.

INDIAN AFFAIRS

PROPOSED NATIVE TASK FORCE TO DEVELOP POLICIES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the Prime Minister and ask whether he is giving consideration to the proposal made to him by the National Indian Brotherhood to appoint a task force consisting of Indian people to develop new policies, leaving the development of major responsibilities for Indian matters to the Indian people themselves.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I did not understand the question. I wonder whether the hon. member would repeat it?

[*English*]

Right Hon. P.-E. Trudeau (Prime Minister): The question has been discussed among the minister, the Minister without Portfolio and myself, Mr. Speaker. We are not as yet convinced that this would be the most effective way of arriving at a policy which would be to the greatest advantage of the Indians. However, it is a matter that is under consideration.

Mr. Orlikow: A supplementary question. I wonder if I could ask the Prime Minister whether he is giving consideration to recognizing the National Indian Brotherhood as the advisory body to the government on matters pertaining to the Indian people, as proposed by the National Indian Brotherhood.

[*Translation*]

Mr. Chrétien: Mr. Speaker, we consider that the National Indian Brotherhood is a step in the right direction. We encourage the Indians to form provincial associations and we also think that it is advisable for them to have a national association. That is why we invited them to meet here last week and I must say to the hon. members that the meeting with the Indian chiefs was very successful.

[*English*]

Mr. Orlikow: The minister did not answer my question whether the government was giving consideration to recognizing the National Indian Brotherhood as the advisory body on behalf of the Indians in Canada.

[*Translation*]

Mr. Chrétien: Mr. Speaker, of course, if we recognize the existence of the National Indian Brotherhood, it is normal that we should wish to consult them as often as possible.

[*English*]

[*Later:*]

Mr. John Burton (Regina East): Mr. Speaker, I have a question for the Prime Minister. Has the government agreed to a request from the National Indian Brotherhood for financial assistance in carrying out community development programs and other activities?

[*Translation*]

Mr. Chrétien: Mr. Speaker, this request was made by the National Indian Brotherhood.

We are now considering this suggestion.

EXTERNAL AFFAIRS

CZECHOSLOVAKIA—INQUIRY AS TO PROTEST NOTE FROM RUSSIA

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, as suggested to me last week by the Prime Minister, I wish to ask the Secretary of State for External Affairs a question.

Has Canada received from Russia a note of protest similar to that received by Great Britain in view of the discontinuance of cultural exchanges with Czechoslovakia? If so, what position will the Canadian government take about that note of protest and related comments?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am unaware of any such note of protest having been received, but I will make inquiries.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a

question to the Minister of Finance. Since the Prime Minister stated in the house on September 13 that the government's attack on poverty is based on curtailing inflation, and since the latest Dominion Bureau of Statistics figures show that in each of the three months since that time the cost of living has been rising—

Mr. Speaker: Order.

Mr. Hees: —at a steadily accelerating rate—

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, I was just leading into my question.

Mr. Speaker: Perhaps the hon. member should have started with a question.

Mr. Hees: I am just getting to it. Does the government expect in the near future to announce its plans for reducing the cost of living, so the Prime Minister's stated objective of fighting inflation and poverty in this country can be proceeded with?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I am sure the hon. member knows the government is doing everything within its power to fight inflation and rising costs in this country. In view of what he has just said I am sure the hon. member will support wholly all the budget measures that are now before the house.

Mr. Hees: A supplementary question, Mr. Speaker. Is the Minister of Finance referring to the increase of $845 million in taxes that the government is imposing on the people—

Mr. Speaker: Order, please.

Mr. Hees: —as their means of reducing inflation?

Mr. Speaker: Order.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the fact that new car prices were a major factor in driving up the cost of living for November, and since the United States labour bureau finds that improvements which raised the prices on new cars by $40 actually cost $1, will the minister initiate now a special inquiry into new car prices in Canada?

Mr. Benson: No, Mr. Speaker.

Mrs. MacInnis (Vancouver-Kingsway): A further supplementary question to the President of the Privy Council. Will the minister consider setting up as soon as the house resumes in January a standing committee on consumer and corporate affairs to which this matter might be referred?

Hon. Donald S. Macdonald (President of the Privy Council): I am prepared to consult with my colleagues on this, Mr. Speaker.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question arising out of the answer given by the Minister of Finance in regard to support for measures that are proposed in his budget. I should like to ask him when he is going to give the house the draft changes in the income tax and succession duty legislation that I requested some time ago, so the house and the country will be in a position to know what they are actually being asked to support.

Mr. Benson: Mr. Speaker, as I indicated to my hon. friend privately it is a matter of house time. If he would like to pass without debate the succession duty resolution, I would be pleased to present the bill very shortly.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. I wonder whether the minister has considered with his advisers how many years it will take him to close the credibility gap which he admits the government now has.

GRAIN

PROVISION OF DRYING FACILITIES AT COUNTRY ELEVATORS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome the opportunity of asking the Minister of Trade and Commerce a question relating to a question I raised on November 29, in which I asked whether the government was giving any consideration to allowing dryers at country elevators to dry grain that had been purchased by the country elevator companies, and at that time he said he would take this matter up. Are there any definite results from his investigations which he could report on this occasion?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Not today, Mr. Speaker.

Mr. Korchinski: I am sorry; I did not hear the answer.

Mr. Pepin: Pas aujourdhui.

An hon. Member: That means nothing's been done.

Mr. Korchinski: A supplementary question, Mr. Speaker. Has the minister taken up this matter with the appropriate people and consulted them on this question, since no damp grain is now moving out of the country elevators? Are dryers at the terminals working on a seven day a week basis yet?

Mr. Pepin: Mr. Speaker, as I have said before, the transport committee, which is composed of the four entities my hon. friend is aware of, is trying to rationalize and regulate the flow from country elevators to terminals so that there will be no bottleneck and so the grain will neither freeze nor heat.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is supplementary to one that has just been asked and is directed to the Minister of Industry, Trade and Commerce. Will the government allow farmers who are having their grain dried under the emergency program to pay for this by future grain deliveries, or would the federal government absorb part of the cost of drying?

Mr. Pepin: Mr. Speaker, it is quite easy for my hon. friends always to be two or three steps ahead of me in suggesting the provision of subsidies.

Some hon. Members: Oh, oh.

Mr. Pepin: Perhaps if I were on the other side of the house I would do the same thing. We are trying to cope with the situation as it develops. A few months ago hon. members were asking us to pay subsidies on grain which had not then been harvested. It has now been harvested, and we are trying to cope with the situation now that the grain has been harvested. I am willing and eager to look at any suggestions, but the necessary steps will have to be taken as needed and not as suggested by hon. members.

CANADIAN NATIONAL RAILWAYS

PRINCE EDWARD ISLAND—STORAGE FOR PERISHABLE GOODS

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Minister of Transport in reference to the situation whereby the Canadian National does not accept freight or express on week ends for shipment from the province of Prince Edward Island. Will the minister explore with the railway people the possibility of providing storage facilities for perishable goods awaiting shipment?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker, I will be pleased to do that.

[*Translation*]

NATIONAL REVENUE

INQUIRY AS TO TAXATION OF CO-OPERATIVES

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Minister of Finance.

In view of pressure exerted by many financial bodies in Canada, would the minister tell the house whether it is his intention to tax credit unions' revenue on the same basis as other financial organizations in Canada?

Mr. Speaker: It is difficult to determine whether or not this is an urgent question, but it seems to me that it could be put on the order paper.

[*English*]

TRANSPORT

KINGSTON, ONT.—ACCIDENT BETWEEN TURBO TRAIN AND TRUCK

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grace): Mr. Speaker, my question is for the Minister of Transport. Will he advise the house whether he has requested a report on or an investigation into the level crossing accident yesterday near Kingston, Ontario, involving the turbo train and a truck? Will he also advise whether, before the first running of the train, any study was undertaken to determine whether the route taken by the turbo train and the level crossings were safe? Was it safe for the train to go across this level crossing?

Mr. Baldwin: Why not refer this to the transport committee?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the Canadian Transport Commission is investigating the accident to determine exactly how it happened. I can also advise my hon. friend that advance studies were undertaken with regard to the safety aspects of operating trains at the speeds the turbo trains will travel. Every effort is being made to reduce risks to the maximum possible extent.

Inquiries of the Ministry

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Did the Canadian National take steps to inform the public of the nature of the train and the speeds it will travel at? I ask this question in the light of yesterday afternoon's accident.

Mr. Hellyer: The introduction of the train, Mr. Speaker, has been widely advertised. Actually the difference between the speed of the turbo train and the speed of conventional trains is not great. Many conventional trains run over the same route at approximately the top speed attained by the turbo train.

The major difference in operating time between the two cities lies in the rate of acceleration and deceleration, which depends on the weight of the train itself. So there is not very much difference in the operating requirements, although obviously a train running at high speed gives a shorter warning time before level crossings than does one running at a slower speed.

Mr. Baldwin: A profound observation.

OIL

STUDY OF DEVELOPMENTS IN ALASKA AND NORTHERN CANADA

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Yesterday I put a question to the Prime Minister on the subject of our petroleum industry. I asked him whether he was meeting with the Premier of Alberta and whether consideration was being given to setting up a special study with reference to new markets for Canadian petroleum. Has the right hon. gentleman met with the premier?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. I had a meeting with the premier this morning. He had requested an interview, and since it was not his expressed intention that the contents of it should be revealed, I prefer not do to do so.

As to the second part of the question, the general subject of petroleum, may I say I have been discussing this with the officials and with the Acting Minister of Energy, Mines and Resources. Does my colleague have something to add?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): Before I saw the question asked by the hon. member yesterday I had already contacted the chairman of the National Energy Board and had a long conversation with him concerning the kind of studies which are taking place now in view of recent important developments in Alaska, in particular. He has given me the following report.

The tempo of exploration activities, particularly in the north, has greatly increased over the past few months and industry is actively engaged in numerous studies—

That is their interest.

—relating to possible alternative methods of transporting oil into various markets if its expectation of large, highly productive oil resources prove correct. The impact of these on United States markets now supplied with crude is also being studied by individual oil companies and by consultant and investment analysts. The National Energy Board—

Mr. Speaker: Order. I regret I must interrupt the minister, but it seems to me he is giving the type of information which ought to be given by way of a statement on motions.

Mr. Woolliams: I agree with your ruling, Mr. Speaker, but in view of the importance of this industry and the seriousness of the situation, I wonder whether the minister would be prepared to make a statement on motions tomorrow. I should also like to ask him whether anything has been done to provide a proper staff for the chairman or vice chairman of the energy board, since we were told in committee that they were short handed and lacking in funds with which to make the investigation.

Mr. Pepin: The President of the Treasury Board said a few days ago he was looking into this, and I impressed on him—it was not necessary but I did it anyway—the seriousness of the situation. With respect to the formation of the committee, I might say there is already an interdepartmental committee which brings together representatives of the National Energy Board and the various departments interested in this question of oil. As to the possibility of making a statement, I hope to make one at an early date.

TRADE

WHEAT—POSSIBLE EXTENSION OF EXPORT CREDIT POLICY

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): My question is for the Minister of Industry, Trade and Commerce. Is the government considering extending its export credit policy to further increase wheat sales?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): That is a possibility, Mr. Speaker.

Mr. Gleave: As a supplementary question, in view of the statement by a spokesman for the Canadian Wheat Board to the Saskatchewan Farmers' Union convention in Saskatoon last week that if credit facilities were improved—

Mr. Speaker: Order, please. The hon. member should ask a question directly and not quote from statements made outside the house.

Mr. Gleave: Will the minister clarify the situation at an early date?

Mr. Pepin: Now, Mr. Speaker. I said this was a possibility. Before finding out if you should improve your credit facilities you must have a potential market, and we are waiting for such a market before we decide whether to implement the possibility.

AIR CANADA

POSSIBLE EFFECT ON SAFETY OF WORK DISPUTE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Minister of Transport. Yesterday and the day before I directed a question to the right hon. Prime Minister concerning extra precautions for air safety regarding Air Canada in view of the slowdown, and the Prime Minister undertook that today the Minister of Transport would answer the question. Is he prepared to do so at the present time? Also, Mr. Speaker, since we are discussing safety may I inquire from the Minister of Transport just how it happened that someone on that turbo train got such a wonderful picture of the accident taking place?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am assured that the slowdown of Air Canada employees will have no effect whatever on the safety of passengers or air crews.

Mr. Nesbitt: How about the other part of my question, Mr. Speaker?

Mr. Speaker: Order, please.

Inquiries of the Ministry

BROADCASTING

MONOPOLY CONTROL OF MEDIA

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. Some weeks ago in response to a question the hon. gentleman indicated that he would be making a statement on the monopoly ownership or control of broadcasting facilities in Canada. I would like to ask the minister, does he intend to make that statement before Christmas?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I had indicated in my reply, the first time the hon. member put that question to me, that we and the C.R.T.C. are working on this very complex matter. I believe I also indicated that I was unable to say exactly when a statement could be made in this regard. However, I believe I may say now, with certainty, that the work will not be finished before the Christmas recess.

[*English*]

Mr. Dinsdale: As a supplementary question, would the hon. gentleman inform the house whether he will be incorporating in this statement a reference to the growing monopoly in the ownership of newspapers in Canada?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the matter of press monopolies is only incidental to the work we are now doing. Newspapers would be considered in that perspective only if they are part of an information monopoly with radio and television stations.

While I am on my feet, I would like to refer, if I may, Mr. Speaker, to the question of the Leader of the Opposition yesterday when he inquired about two statements I am said to have made in Winnipeg. I do not know where he got that account, but I made neither of the statements attributed to me which, I believe, prevents them from representing the official position of the government.

[*English*]

EXTERNAL AFFAIRS

NIGERIA—EXTENSION OF TERM OF OBSERVER TEAM

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the

secretary of State for External Affairs. Will the minister advise us whether Canada has been asked by the federal military government of Nigeria to extend the terms of the observer team there. If so, what has been Canada's response?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, some time ago I indicated that the Canadian government would be very happy to extend the terms of the observers. It is my understanding that they have in fact been extended more or less indefinitely, and we are happy about the situation.

Mr. Fairweather: As a supplementary question, Mr. Speaker, has the minister made representations to Nigeria, having in mind the recommendation made by the committee on external affairs that the observer team look at both sides, both the secessionist and the federal military government side?

Mr. Sharp: Mr. Speaker, our ambassador in Lagos was of course furnished with a copy of this report which I am sure he has passed along to the government as representing the views of the committee, as well as the statement I made on this subject in the house. However, the observer team is to observe the conduct of the federal military government troops, and there are none in Biafra.

Mr. David MacDonald (Egmont): As a supplementary question, Mr. Speaker, has the minister followed up two specific recommendations in the house committee report, one as to the expansion of the observer team in federal territory, and the second the provision of independent transport facilities for the team?

Mr. Sharp: Mr. Speaker, we have made these views known to the federal military government. However, the position at the moment is that the observers are not fully occupied, and the question that had arisen in connection with their activities was whether in fact there was a useful role for them to perform under present circumstances. We urged the government to continue the observer team in existence. We indicated our preparedness to help in any way we could, and the position now is that the observer team is going to be retained. However, so far apparently there has not been a great deal of need for supplementary members or supplementary equipment.

Mr. MacDonald (Egmont): Not supplementary.

[Mr. Fairweather.]

DRUGS

HEROIN—REPORTED STATEMENT AS TO DISTRIBUTION

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of Justice. On November 21, as recorded at page 3011 of *Hansard*, I addressed the following question to the minister:

> In view of the alarming statement by an R.C.M.P. spokesman that the hippy world has become an important distribution centre for heroin, a dangerous and rapidly habit forming drug, would the minister inform the house if this matter is now being given his consideration?

At that time the minister said he had this under investigation. Has he a statement to make now?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I want to thank the hon. member for his usual courtesy in giving me notice that he was going to put this question to me again. We have just received a report in our department from the R.C.M.P. on the use of drugs by young people, and officials of the Department of Justice are currently meeting with officials of the Solicitor General's department and the Department of National Health and Welfare. When we have analysed the facts we will be pleased to give a statement to the house.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. A few days ago I asked the minister a question with reference to the incentives provided by the federal government for research and development in the civil sector of our economy as opposed to incentives in the military sector, at which time the minister said it would take too long to answer and offered to discuss this point at any time and place. Would he be prepared some time during the next week or ten days, either at the University of Ottawa or Carleton University—

Mr. Speaker: Order, please.

Mr. Broadbent: —to discuss it in public?

Mr. Speaker: Order.

SPORTS

HOCKEY—INTERFERENCE WITH FREEDOM OF CHOICE OF YOUNG PLAYERS

On the orders of the day:

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Will the minister request the task force investigating amateur sports to inquire into acts of illegal and unreasonable interference by hockey league executives with the right of young boys throughout Ontario and other parts of Canada to play hockey for teams of their own choice and not be indoctrinated into professional sport?

Some hon. Members: Hear, hear.

[*Translation*]

BROADCASTING

ALBERTA—LICENCE FOR RADIO STATION CKUA

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to put a question to the hon. Secretary of State.

In view of the answer given by the hon. minister to the house on December 5 in which he reaffirmed that licences for educational broadcasting would not be given to the provinces or their agencies, could the minister give us the assurance that nothing will be done to cancel the licence of the CKUA radio station of the University of Alberta, which is operated by the telephone company of the government of Alberta?

Mr. Speaker: I think this question should be put on the order paper.

[*English*]

DOMINION-PROVINCIAL RELATIONS

CHURCHILL, MAN.—NEGOTIATIONS ON DEVELOPMENT OF TOWN SITE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I would like to direct a question to the Minister of Public Works on the proposals by his department to cabinet in relation to the development of the town site of Churchill. Can the minister say just when these proposals will be passed along to cabinet?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I would expect that some announcement in respect of our intentions will be made in a very few days indeed.

CONSUMER AFFAIRS

REPORT ON MEETING OF ADVISORY COUNCIL

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Can he tell the house the outcome of the first meeting of the consumers' advisory council which was held last Monday?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I can only report, as I am advised by the chairman, that they had a very successful one day meeting, the purpose of which was mainly to organize their activities and procedures for the ensuing meetings. They agreed to appoint a five man committee which would be concerned with organization and to attend to the appointment of a research director and staff. A date was set for the next meeting, which will be the second or third week in February.

Mr. McGrath: Will the council study the whole question of rising automobile prices and decreasing warranties which has already been referred to in the house today?

Mr. Basford: I should make it very clear that this advisory council is neither a regulatory nor an investigative council.

POWER

MINAS BASIN—FIRST REPORT OF STUDY GROUP

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax): Mr. Speaker, my question is for the Acting Minister of Energy, Mines and Resources. May I ask that hon. gentleman when the house may expect to have the first report of the joint federal-provincial study group on the Minas Basin tidal project.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I will obtain information on that subject. I know that recently the study was extended and agreement was reached among Nova Scotia, New Brunswick and Canada for provision of the necessary amounts. However, I do not know when the report may be expected.

NATIONAL DEFENCE

USE OF HOTEL ACCOMMODATION BY RECRUITING TEAMS

On the orders of the day:

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the

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Minister of National Defence. Could the minister explain why Canadian forces recruiting teams are using hotel accommodation for recruiting purposes at needless cost in areas where there are government armouries with recruiting offices specifically allocated for that purpose?

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

FARM MACHINERY

REQUEST FOR REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address this question to the Minister of Agriculture. Could the minister advise the house when he expects to table the report of the commission studying the cost of farm machinery?

Hon. H. A. Olson (Minister of Agriculture): I cannot give an indication of when we intend to table the report in the house. I can advise the hon. member that I have asked Dr. Barber for an interim report to be available before the end of this year which would be used as one of the position papers in respect of one of the subjects to be discussed at the national agricultural conference in March.

HEALTH AND WELFARE

MEDICARE—PROVINCIAL PLANS WITH UTILIZATION FEES

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the minister's statement that the experience in Saskatchewan illustrates that medicare is absolutely necessary, does this mean that provincial medicare plans with utilization fees are now acceptable to the federal government?

Mr. Speaker: Order. The hon. member is asking for a statement, and I would think the question is argumentative. If I am wrong on all counts, the question might be placed on the order paper.

FINANCE

STEPS TO BRING ABOUT INTERNATIONAL MONETARY REFORM

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance concerning international monetary arrangements in view of the uncertainty concerning the health of the arrangements as they now stand. Is the government of Canada putting forward any suggestions regarding further reform of the system relating to international currencies?

Hon. E. J. Benson (Minister of Finance): Representatives of the government of Canada have been and are constantly in touch with representatives of the Group of Ten concerning matters such as this.

Mr. Stanfield: But is the government of Canada taking any position, for example, with regard to the question of the fixed parity exchange? Is the government of Canada putting forward any position or is it simply engaging in consultations?

Mr. Benson: The government of Canada is in no way considering a floating exchange rate.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed, from Tuesday, December 10, consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in, and the amendment thereto of Mr. Stanfield, (p. 3762).

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, at ten o'clock last evening I was putting before the house some information with regard to the business of the house in this session and particularly in the coming part of the session. I mentioned that because of the slow progress on the legislative program of this session, a slowness produced by an inability to obtain effective agreement from the opposition on time for the measures needed this autumn, the house is now faced with some 40 bills, many of them of a very fundamental character, with about 80 days for legislative business between the resumption of the sittings in January and the end of June.

Last night the Prime Minister mentioned the closure of neglect and the closure of exclusion. I think it is fair to raise the question, is this what the opposition has in store for much of the legislative program of this year and, cumulatively, for the years to come? From these figures, 40 bills and 80 days, it must be clear that a very difficult problem

of timing is confronting the house. If the opposition wishes to be responsible about the legislative work, they will have to sit down with us and participate in some of the hard choices involved in deciding how each item will be dealt with and over what period.

While his leader yields to the temptation to mock references to the British experience, I notice that the hon. member for Peace River (Mr. Baldwin) is ready to refer to that experience and particularly to the institution of "usual channels". He is perfectly correct in doing so. It is true that in the British house a great deal of consultation takes place through usual channels and that the rule of convention is that the second reading debate on a bill almost never takes more than one sitting day. I regret, as he does, that we have not built up a body of custom and co-operation of this kind.

But the hon. member for Peace River did not explain to us that since 1881, despite this body of custom and co-operation, the British house has used government timetables for passing bills. In referring to government timetables I might remind members of the house that this, of course, is not closure. The closure rule has also been used at Westminster and, I think, often dozens of times in a single session. Government timetables for passing bills have been used for almost 100 years. For example, from 1900 to 1913 it was used for 25 bills. From 1919 to 1932 it was used for 12 bills. From 1945 to 1967 it was used for 19 bills. Indeed, the British select committee on procedure in 1967, after discussing voluntary or co-operative arrangements, reported to the house that:

> Until there is greater experience in the making of voluntary agreements, your committee consider that governments should continue to rely on the traditional form of guillotine when there has been no agreement reached.

That is from the report of July 4, 1967, page x. Obviously in the House of Commons at Westminster they are not entirely happy with the government timetable procedure. The procedure has at least two obvious defects. We tried to overcome these in the proposed standing order 16A. The first criticism is that the debate on the government motion to adopt a timetable on a controversial bill lasts for a sitting day and the debate is regarded by many members as boring and repetitious. In 1967 they cut the debate to two hours. The second criticism is that there is no formalized consultation with opposition spokesmen before the government timetable is submitted to the house.

Under the proposed standing order 16A the government would not be able to put forward a timetable motion until the proceedings committee had met. This at the very least would permit the spokemen of opposition parties to make their views fully known before the government made a proposal to the house. If opposition spokesmen are really worried that clandestine meetings would take place, a gilt-edged notice requirement can be provided. No one on this side was so machiavellian as to think that it would be good politics to hold clandestine one man meetings of a four party committee.

• (3:20 p.m.)

A good deal has been said about the quorum. I appreciate hon. gentlemen raising the question, and I think it is a fair question to raise. It should be perfectly obvious that parties would be tempted to emasculate standing order 16A by simply staying away from the meetings. We all know what happened to a previous standing order of this house, standing order 15A, because a Conservative representative decided to boycott the meetings. The proposed standing order 16A therefore provides a disincentive to the boycotting of a committee of this house.

Mr. Lambert (Edmonton West): Oh, come on!

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member for Edmonton West (Mr. Lambert) can make a speech on this matter if he wishes. The hon. member for Winnipeg North Centre criticized the requirement for unanimity in this committee. He would prefer to have the committee decide by a majority. He even invoked the British North America Act, section 49, as authority for that proposition. We all know that the hon. member for Winnipeg North Centre is a great author of red herrings on various procedural subjects in the house. But surely last night we observed the very best of his performances in this regard when we were privileged to see a veritable whale of a red herring.

Let us remember that the proposed committee would not be a committee of the members of this house. It would not reflect the strength of the parties. It would be a committee of the parties, with each party, the smallest like the largest, represented by one member. The hon. member for Winnipeg North Centre would put the government in the position where it could not propose a timetable to the house unless it carried a

majority in a committee in which the government would always be in a minority. All this he proposes in the name of section 49 of the British North America Act.

What we are really being told is that there should be some kind of a committee and that if the committee did not come up with a timetable the government would be permitted to do nothing. I wonder whether those opposite who have taken on the responsibility of leading the parties in the house have thought through what kind of pressure that kind of arrangement would put them under. Members would come to them and say, "There is no reason why you should agree to anything in the proceedings committee. If you take a tough stand, we will be able to speak as often as we want and the government will be able to do nothing about it." In that situation either the house leaders would change at a fast rate or the committee would amount to nothing.

We have heard solemn assurances from the Leader of the Opposition and from speakers from other parties on that side of the house that never will there be obstruction to reasonable actions. This is what they say. But what are reasonable actions? They will decide. They will veto decision by this house.

These solemn assurances are made to us again and again. I must say, however, that I can see no reason why I should give any greater credence to those assurances than the Leader of the Opposition insists he gives to my assurances. I suspect that the Leader of the Opposition would admit candidly that he cannot see any reason either.

What is being asserted is really very simple. It is that the opposition knows best. It is that they have an inalienable right to prevent the house reaching decisions they may not like.

An hon. Member: That is not right.

Mr. Macdonald (Rosedale): The hon. member agrees with that.

An hon. Member: No. I said that is not right.

Mr. Macdonald (Rosedale): There have been in the past men in the opposition who have made such assertions. I think perhaps we would be best guided if we again read section 49 of the British North America Act. It reads:

> Questions arising in the House of Commons shall be decided by a majority of voices other than that of the Speaker, and when the voices are equal, but not otherwise, the Speaker shall have a vote.

[Mr. Macdonald (Rosedale).]

I suggest that this provision should be the basis for deciding any programming of the business of this house.

Finally, Mr. Speaker, I would say a few words about the proposed amendment. I note with interest that the Leader of the Opposition has made no effort in the amendment to deal with the government's right to make a motion on its own. His proposed amendment deals only with motions to accept the decisions of the procedure committee, such decisions being, by the definition of the standing order, those which are unanimous. He does not deal in the amendment with our proposal that after consultation the government can introduce its own motion. The only change he of the meetings of the committee on would propose is that there should be notice procedure.

My first reaction to this amendment is one to which I have given expression, namely, that indeed this was not raised and dealt with in the special committee on procedure. This seems to be a reasonable suggestion. It seems to me that if that be the only objection hon. members opposite would make to standing order 16A, it bears very serious consideration, and I would agree that the amendment is a very tempting one to vote for.

Mr. Baldwin: Yield to temptation.

Mr. Macdonald (Rosedale): Before terminating my remarks, Mr. Speaker, I think it would be appropriate if I made some reference to the assistance that was available to the special committee on procedure. In particular I refer to the many long hours and hard work put in by the secretary of the committee, Mr. Philip Laundy, who was ably assisted by Mr. Michael Kirby. Able assistance was also provided under great pressure by Mr. Gordon Dubroy and his colleagues at the table. I think all hon. members would agree with me that we are much indebted to them for their services to the committee.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): On a personal note, Mr. Speaker, I would like to express my own appreciation, and take this opportunity of so doing, to one of our former colleagues in the house who I think it would be acknowledged in all corners of the house has an encyclopaedic knowledge of the procedures of the house and a great grasp of the parliamentary system. I am referring to the former member for Antigonish-Guysborough, Mr. John Stewart. I would like to express my

thanks for his contribution and services, not only to me in my role in the committee, but to parliament generally and the cause of reform of the house.

Some hon. Members: Hear, hear.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in opening my remarks this afternoon I want to in many ways re-echo the opening words at least of the chairman of the committee on procedure, the hon. member for Grenville-Carleton (Mr. Blair). As vice-chairman of the committee I think I can also echo the closing remarks of the President of the Privy Council (Mr. Macdonald) with regard to the staff and assistance we received in the committee. I particularly want to underline the remarks of the hon. member for Grenville-Carleton with regard to the spirit of harmony that prevailed in the committee.

As the hon. member indicated, and I reiterate his statement, it has been said that the committee concluded its deliberations in wild disagreement, but someone must have been under the strong influence of opium, or whatever it was, to say this and must have been looking for sensationalism. Of course there was disagreement on some principles. There was serious discussion. There was a great deal of consensus. There were proposals and counter-proposals, and we agreed to disagree on certain fundamental points. The opposition lined up on one side and the government on the other. There were lesser disagreements with regard to supply, and other disagreements with regard to emergency procedures. But anyone who suggests there was wild disagreement is saying what is very far from the truth. Indeed, the representatives on the committee of members of parliament in all parties in the house were concerned with the efficient operation of this house, our house, not the government's house but the house of the members of parliament. This concerns all of us.

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): Therefore representatives of all parties have indeed a vested interest to see that we work out the best possible rules. I would say that within the limitations of our respective interests and our respective views, this has likely come about.

• (3:30 p.m.)

This report is not in any way a government blueprint of what it considers the rules to be, except for a couple of very fundamental points which have already been referred to by the Leader of the Opposition, (Mr. Stanfield), the hon. member for Peace River (Mr. Baldwin), and the Prime Minister (Mr. Trudeau) last night. We know now what the issues are in regard to the fundamental parts of these reports. The points of major departure are the elimination of the committee of supply and the allocation of the time of debate or otherwise by direction of the government, not only in the house but in committee as well. I will come back to that point later. Provision 16-A is not limited to proceedings in this house, and therefore any statements by the Prime Minister or other representatives of the government that this is going to give much greater freedom to the private member to discuss in committee either legislation or estimates are a fallacy. Why is that so? Because the government house leader, under the conditions of provision 16-A, has the right to dictate to this house by way of a government order how long proceedings may take in committee, either on legislation or in supply, inasmuch as the proposed standing order states "every item".

I put it to you, Mr. Speaker, that the one place where the government house leader has no place—as a matter of fact this house really has no place—is in the committees because it is said that a committee is the master of its own proceedings. In fact you, Mr. Speaker, and I when I occupied your chair, have refused to intervene in the proceedings of the committees because the chairman is supreme there. The committee is the master of its own proceedings, and yet under rule 16-A there is a subterfuge that the government, through its house leader, can interpose and will interfere.

I say further that Mr. Speaker has, from time immemorial, categorized himself as being the servant of this house and the servant of the members of this house as expressed through the rules of this house which protect the privileges of members and their rights and obligations as against each other, the rights and obligations of the opposition versus the government, and vice-versa. However, if we take government imposed rules this means that Mr. Speaker does not become the servant of this house but instead becomes the servant of the government, and that is a denial of our democratic form of government. That is why I maintain that the principle of government imposed rules which go down to the fundamental points that these do are wrong because Your Honour's position has been placed in jeopardy as the result of these proposals. You are no longer the arbiter of

the rules of this house but instead you are the arbiter of the rules as put forward by the government, and that, I say, is quite wrong.

Having occupied the position that you now so well occupy, Mr. Speaker, I should like to approach the question of rules on the basis of certain general principles. First of all, our system of responsible parliamentary democracy means that the Prime Minister and his cabinet are responsible to parliament and, as part of parliament, to this house. Neither parliament nor this house is to be a mere tool of the cabinet or at the beck and call of cabinet. If anyone wanted to talk about the reform of the parliamentary system I would say to him, let us curtail the power of cabinet and restore power to the members of this house. This is what has been the big problem.

If hon. members would bother to acquaint themselves with what has been going on at Westminster and what is the attitude of the private member there, they would see what I mean. There has been an outrageous growth of cabinet power vis-à-vis parliament. It has now become the mere tool of the cabinet. Let us look at recent writings on the subject of Westminster such as "the legislative process in Westminster" by Mr. S. A. Walkland and a book by Mr. Berkeley, a former member of the British House of Commons, which describe what has happened over there. Yet in a half-digested way we are being asked to pick and choose from the system at Westminster after what I would call shallow and unconsidered thinking has been given to some of the procedures that apply over there.

Second, proceedings in this house must be so conducted that the rights of all hon. members as representatives of the people who elected them and as individuals are protected with scrupulous impartiality and that all members stand before you, Mr. Speaker, as equals, with certain limited exceptions provided for in our rules. These usually have to do with the amount of time that one is allotted in particular debates.

Third, in this house the government has certain rights which must be recognized and protected. A government cannot be forever held at bay and constantly harried and thwarted from fulfilling its recognized task and its responsibility of governing. Having such responsibilities, however, it cannot possess unbridled licence to ride roughshod over the rights of members who are not part of the government. Again I would like to point out to hon. members opposite that outside of those members of the Privy Council they are not members of the government but

[Mr. Lambert (Edmonton West).]

are government supporters. The government consists of the members of the cabinet, and all others opposite are private members who possess rights which must be protected. Members sitting in opposition to the government have their undeniable rights which cannot be trampled upon, but in possessing those rights let us recognize that they too have responsibilities toward one another and toward the government.

Fourth, these rights and responsibilities are to be recognized in our rules of procedure wherein they may be enshrined. Such rules must be readily understandable to hon. members—I would hesitate to say they must be understandable by the Chair—and they must lend themselves to effective and ready application by the Chair.

In devising our rules the house must provide you, Mr. Speaker, with an acceptable task. When Mr. Speaker is elected he is asked to accept a charge which must not be impossible. It is the duty of the members of this house collectively to furnish the Chair with effective, workable rules. The Speaker must not be placed in an impossible position. Regrettably, Mr. Speaker, this is not always recognized. All too often procedural proposals are made without thinking or unthinkingly of the consequences as they affect the Chair.

• (3:40 p.m.)

I wish to re-emphasize the opening remarks of the Leader of the Opposition, in particular when he said we are now considering a fundamental issue, perhaps the most fundamental of all, the right of parliament to control itself and in so doing to control the government. I come back again to the theory that in the parliamentary form of democratic government which we enjoy the Prime Minister and the cabinet are responsible to parliament, not parliament responsible to the cabinet. However, in the eyes of the technocrat it all too often appears that legislatures are obstacles to good government. Efficiency, measured by the technocrat himself, is the underlying standard. Critical questioning, alternative proposals and even dissent itself are not acceptable to the technocratic philosophy of government. As my leader said yesterday, we must never dismiss the importance of debate. In so saying we do not subscribe to unlimited debate merely for the sake of debate, merely for frustrating the effective working of parliament. Debate must provide for the adequate discussion of any proposal that is made in this house.

I would put it to you, Mr. Speaker, and to hon. members that the words "adequate discussion" really are the point at issue. What is adequate discussion? I think this underlies the closing remarks of the government house leader today, and it pretty well underlies all the discussion we have heard to date. Now, the government may feel that anything beyond token debate or statements of position by representative speakers is more than enough. I suspect that this is the philosophy of this government in its determination to program the business of the house as it proposes in the present changes before the house.

Of course, government supporters are totally ignored in these proposals, notwithstanding the hopeful but regrettably naïve assertion of the hon. member for Grenville-Carleton yesterday. Their position is totally ignored by the government. It will be affected just as much as that of hon. members opposite because I would put it to you, Mr. Speaker, that this is a move in the struggle between the cabinet and the house for the control of what is parliament. Every time there has been more than a mere tinkering with the rules, this has been the case.

Let us go back to 1955 when the hon. member for Winnipeg North Centre (Mr. Knowles) was a member of this house. He will tell you—

Mr. Turner (Ottawa-Carleton): When wasn't he a member?

Mr. Lambert (Edmonton West): From 1958 to 1962.

Mr. Knowles (Winnipeg North Centre): I was in the gallery, watching.

Mr. Lambert (Edmonton West): He will agree that the changes in 1955 resulted in a considerable shift in favour of the cabinet against the rights of individual members and a further curtailment of debate. Now we get to the ultimate this afternoon when the President of the Privy Council (Mr. Macdonald) indicated that he would like to recommend, and I am not telling tales out of school, that second reading last one day. It would not matter how controversial the bill; we could have a day. On his basis of thinking, a subject like medicare would be debated for one day.

Mr. Knowles (Winnipeg North Centre): And the omnibus bill?

Mr. Lambert (Edmonton West): It is difficult to determine just what is the principle of that bill, but certainly according to his thinking one day would be sufficient to debate the omnibus bill. What becomes then of the distribution of membership in this house? One cannot foresee that it may be fundamentally changed for some time. The position of the parties may be changed, but the point is that we are not making rules for just this year or next year. These are supposed to be permanent changes. What does that mean? Does it mean there will be merely position statements, one by a government spokesman, one from the opposition, one from the third party and one from the fourth party? If there were time left over we possibly could get in a few contributions more. Is that debate, Mr. Speaker? We might as well file these statements. Why does the government house leader even suggest we have second reading? As I have said, the government now feels that anything beyond a token debate or a statement of position by representative speakers is more than enough.

That power—I call it almost unbridled licence—given the government house leader by the proposed standing order 16A not only governs proceedings in this chamber but I warn hon. members opposite and emphasize to them that rule 16A reaches right down into committees. I do not know what the two hour debate is going to do, if the government house leader makes a proposal that contains any number of items that are unacceptable to the house leaders of other parties. In other words, the proposals could be outrageous, and designedly so if I want to ascribe to him the ultimate motive, not only with regard to several items of legislation but every item before the committees. We are to have a two hour debate to discuss the pros and cons and then there would be a guillotine, a vote presumably supported by the government members. This is how the business of this house is to be conducted. I call it unbridled licence; it is nothing more than that.

Hon. members must realize just what they are doing, the power they are turning over to the cabinet against themselves by their acceptance of this particular proposal. I think my proposals to the committee went even further with regard to the legislative process for discussion and flexibility by the government. Personally, I prefer the French system of giving notice on the order paper, printing the bill, and the bill going immediately to a standing committee, or to committee of the whole if that is to be its fate, where the bill is to be discussed. Then if any amendments are made either from the government side or

the opposition side it is at the report stage that the government either accepts them or rejects them. Alternatively, if in the eyes of the government the bill has been torpedoed, the report stage is regarded as a vote of confidence on the issue on which debate was divided. This is where the cabinet asks itself whether it is responsible and whether the house is going to back it up. In other words, the cabinet is responsible to the house. If the cabinet felt that its proposals did not have the confidence of the house, then it could ask for that confidence.

• (3:50 p.m.)

There has been a *via media* in that the second reading stage has been de-emphasized—I will not say downgraded—and I think this may be to advantage. We are all agreed on eliminating the resolution stage, and it will be of immense advantage to eliminate duplication. It is a simple procedure to move amendments to every clause of the bill which would be voted on in the report stage.

It is here, Mr. Speaker, that the government and its advisers have been rather incautious, I would say, in their proposals. Your Honour will have the task of marshaling these amendments and frankly, with the greatest respect, I do not envy you your task. Amendments could be moved to every clause of the bill, and it does not tax the ingenuity of man in this house to fashion them. Therefore, unless the debate is kept very relevant—and Your Honour knows how difficult that is—I wonder what time will be saved.

We agree that marshalling or maximizing our time is the great problem today. The hon. member for Winnipeg North Centre (Mr. Knowles) laid emphasis on this last night, and I agree with him. But is anything going to be gained by this procedure, particularly if the government house leader imposed his weekly closure? Who is going to be so naive as to suggest, since the government house leader is cutting back on second reading, that if amendments line up before Mr. Speaker one after the other the government house leader would not also wish to restrict debate on them? It would amount to weekly closure.

And this house is to be a place for debate, Mr. Speaker? This simply is not inherent in this particular government proposal. This is the most vicious and dastardly attack upon parliament that has ever been perpetrated. Provisional standing order 15A was bad enough. In fact, it was so bad it was never used. If it is felt that debate has extended too far, then the government must assume its responsibility. We all know there is a second forum for debate that is not in this house but is in the antechamber where government ministers and the Prime Minister are prone to run to the television camera to do their ministerial second thinking. This sort of discussion is one-sided because no one is there to question them. The Prime Minister has been quoted as saying on television last night that there comes a time in every democratic assembly when debate must come to an end and a decision made. He made that statement here, and no one quarrels with it. But this was the most undisguised red herring that the Prime Minister could ever have dragged up from the bottom of the ocean and brought into this debate. The government just does not have the courage of its convictions. Standing order 33, which under these proposed rules is being continued, was made for this purpose. If the government feels that debate has gone on far too long, then let the government have the courage to bring in closure frontally instead of having the government house leader do it in advance before the debate has even begun.

I agree that closure has to be used if the debate has gone too far, but this can only be ascertained after the debate has got under way, not beforehand. Yet this is what we are faced with. The government house leader has this authority now, and the Prime Minister knows it. In effect, what the Prime Minister is seeking is authority to cut off debate a week before it is commenced in so far as any or all matters on the order paper are concerned, and not only matters on the order paper but also matters before the committees.

Let us suppose that the government had got wind of what had happened in the transport committee and was concerned that it would run into trouble in that committee. They would not have had to put the chairman in hospital or "cut off his head" or "eat him", as they did; all the government house leader would have to say is that the proceedings presently before the transport committee will be brought to an end as of a certain date. Let us say this proposal was made on a Thursday. Once it is voted on he can cut off debate as of the next day, even though the committee may have been going to meet the following Tuesday. That is what is possible under these proposals.

When the Prime Minister makes this fine statement that sounds very impressive, frankly he is just trying to muddy the issue, to distort the facts and to mislead the Canadian people about what is involved here. And I

would say that he is doing that deliberately. I am not infringing any privilege here because this was said on television, not in this house. This picture of distortion was given direct to the Canadian people. As far as the opposition is concerned, the Prime Minister and his cabinet colleagues are not going to get away with it.

The government has the weapon of closure at its disposal. If the government house leader or the Prime Minister wants to use it, then let them be men enough to say they are going to use closure, instead of resorting to this round-about, hidden way that is being proposed. Let them say that debate has gone on too long; certainly I would prefer that to this. I am sorry for Your Honour if their admiration or partial admiration for the British system is going to make it difficult for you, because they are going to hand to you the power to determine when debate has gone on long enough. That is what your counterpart does in the United Kingdom.

I fully realize Your Honour might not like that. I would have found it most difficult to come to that very difficult decision. But at least closure is not imposed by the government. Mr. Speaker is independent. We want him independent and we want the rules to maintain the independence of Mr. Speaker.

• (4:00 p.m.)

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): With the greatest deference I suggest that in this field that will not be the case. Having said all this, and I wish to keep my remarks reasonably brief, I must emphasize once again what I have spoken of before. We agree that we must modify our rules to meet changed circumstances. We made many proposals I indicated that some of them are much more radical even than the proposals before us here. We too are concerned with the effective disposal of our time, as was said so well yesterday by the hon. member for Winnipeg North Centre. We subscribe to many of the changes. In a general way, and I say "general" because certain hon. members have different appreciations of individual rules, we approve of much of the report.

May I go back, Mr. Speaker, to one of my original points. The rules of this house are the prerogative of this house and not of the government. I rather suspect that the government house leader does not agree with me because this does not agree with his philosophy.

Mr. Turner (Ottawa-Carleton): The hon. member has no evidence of that.

Mr. Lambert (Edmonton West): I can only reply to the Minister of Justice by saying that I base myself on 26 meetings in committee where there was a free interchange of views. The advocacy of the government house leader with regard to certain changes can lead to no other conclusion. In so far as the programming committee and the committee of supply are concerned, Mr. Speaker, these are government imposed changes.

What are we to do with regard to supply? Before I deal with supply perhaps I ought to make one comment to the government house leader. He indicated that the former hon. member who represented Winnipeg South Centre and was this party's representative on the business committee had boycotted that committee, the implication being that rule 15-A was not effective because of the boycott. That is not factual, Mr. Speaker. There are persons present in this house who were members of that committee and they will attest to that. I know they feel that Hon. Gordon Churchill always attended meetings of the business committee; after all, rule 15-A operated on one or two occasions only. That hon. member fully discharged his responsibilities. It is true that when he was house leader of Her Majesty's Loyal Opposition he and the then government house leader decided to eliminate the meetings of all house leaders generally.

Mr. Knowles (Winnipeg North Centre): They did not like us.

Mr. Lambert (Edmonton West): I will not go into details. There was some problem about confidentiality and that sort of thing. I will let bygones be bygones. But with respect to rule 15-A there is no question that the hon. member then representing Winnipeg South Centre who was our representative on that committee discharged his obligations fully, both in spirit and to the letter of the rule. I therefore say that the government house leader was wrong in the assertion he made earlier this afternoon.

The point I now wish to make with regard to supply is that we do not agree, Mr. Speaker—and here perhaps we part company with my hon. friend from Winnipeg North Centre—that the committee of supply should be suppressed. This house is not a legislative grist mill; it never was designed to be in the past and will never be in the future. A good

part of the responsibility of this house vis-à-vis the people and vis-à-vis the government is to exercise the most careful diligence and surveillance over government expenditure. Supply is an integral part of the responsibilities of this house, as is consideration of legislation.

It is the preponderance of a technocratic frame of mind which downgrades supply or the consideration of estimates as against the passage of legislative proposals. Does the government think it is going to cure the ills of the country merely by passing laws? I think not. It would be better in so far as this house is concerned to allow the committee of supply to remain. There is no copyright with regard to this proposal. I do not think every department of government should be examined in detail every year. I think every department ought to have a detailed examination with all officials present not more than once in three years. After all, we must recognize the administrative responsibilities of the officials of these departments and tailor our policy to deal with them intelligently. It is my view that if a department were to go before the related standing committee once in three years for detailed examination, that would be enough. That could be followed up by one stage in this house where there could be for a limited period a general statement, shall we say, about the philosophy or administration of the department. Three years later that department could again be brought before the standing committee for examination.

Thus, Mr. Speaker, every department would come before the committees and before the house. There would be a not so intensive examination of the department and then an intensive examination. That would preserve to this house the right of granting supply and the right of discussion of supply. For that reason we do not think the committee structure as now set up would be adequate. It is going to be a fearsome system. I have had a good deal of experience in committees and I like to see them work. The government is proposing to throw on to a structure that is now only evolving the whole burden of the study of supply and of estimates, plus a great deal of legislation. Before we jump, Mr. Speaker, let us know where we are going to land. Frankly, the committee structure as it now exists is not designed for the task that is being asked of it under these proposed rules.

I close by saying that we give a great deal of support to some of these rule changes. But on the questions of eliminating the committee of supply and the programming committee, there we cry, "Halt."

Mr. David Lewis (York South): Mr. Speaker, one of the great advantages I have found in our democratic system is that one may make the assumption, no matter what party one belongs to, that the motives of all other hon. members are of the highest in relation to the good of the country and its people. Everyone of us makes that assumption with pleasure about everyone else here. Yet I must admit, in the presence of the President of the Privy Council (Mr. Macdonald), that on the debate in which we are now engaged and on the issues which are now before us I find some considerable difficulty in making that assumption about the insistence of the government to shove down the throat of parliament a particular rule I object to, namely, rule 16A.

Some hon. Members: Hear, hear.

• (4:10 p.m.)

Mr. Lewis: I have no doubt that many Canadians across the country are puzzled by what is taking place here. They are concerned about many serious problems both at home and abroad and they want to see the government and parliament act on these problems. So do I. So does every member of the opposition parties in this house. So, I am sure, do the members on the government side. I say as I begin my remarks that it is within the power of the government to achieve this objective even now. Any delay as a result of this debate, short or long, is entirely the government's responsibility. That should be made clear, and I hope it will be made clear to the people of Canada by those who carry the responsibility for informing our people in this country.

Some hon. Members: Hear, hear.

Mr. Lewis: Why do I say this? I say, Mr. Speaker, that the government could and should have introduced the committee's report without the hooker contained in rule 16A. If it had done that the report could have been passed possibly without debate. Certainly with no more than a few speeches in the house, and parliament could even today be dealing with the problems of the Canadian people and with other problems which affect the people of the world.

It is important to emphasize that according to the information which the hon. member for Winnipeg North Centre (Mr. Knowles) gave

to the caucus of the New Democratic party, the government knew that all the changes proposed, except for two, were acceptable to all parties in this house. The Conservative party had some objection to the supply situation—it was not an adamant objection—and all the opposition parties were opposed to rule 16A as the President of Privy Council (Mr. Macdonald) proposed it to the committee. The reason I find some difficulty in keeping to my determination to allow that everyone's motives are of the highest is that the government insisted on introducing rule 16A when it knew that to do so would provoke a long debate.

Some hon. Members: Hear, hear.

Mr. Lewis: Let me remind you, Mr. Speaker, to emphasize that I am not just throwing words out, that the President of the Privy Council last night gave an assurance, as I am told he indicated to the committee he would, that the government would see to it that a permanent standing committee on procedure and organization would be established and given the opportunity to review the rules we are now debating. Was it not reasonable and civilized to expect that in those circumstances the government would place before parliament a rule 16A in a form which was acceptable to all the parties and which could be given a try for the remainder of this session? And if the hon. gentleman, as government house leader, found it was being abused by the opposition he would then have reason to come before parliament and ask for changes.

Some hon. Members: Hear, hear.

Mr. Lewis: He sits and laughs.

Mr. Macdonald (Rosedale): I am trying not to be cynical about the hon. member.

Mr. Lewis: He is trying not to be cynical. Let me tell him that he does not have to try. His behaviour shows that he is cynical in the worst sense of the word. He is cynical about this parliament, about the needs of the Canadian people and about his behaviour in this house.

Mr. Turner (Ottawa-Carleton): We have been talking about motives and imputing motives—

Mr. Speaker: I wonder whether the hon. member for Winnipeg North wishes to raise a point of order? He has been standing—

Mr. Turner (Ottawa-Carleton): I am raising a point of order, Mr. Speaker. We have been talking about motives and perhaps getting into personalities. I was hoping that the hon. member would stick to the principles we are debating.

Mr. Lewis: I respect the Minister of Justice (Mr. Turner), as I do all hon. members in this house including the President of the Privy Council, without reservation. If I made any remarks about being cynical they were in reply to a comment which I believe to be completely unjustified. It reminds me of another comment which was made earlier in the day, one which I suggest will not make co-operation easier in this house. The President of the Privy Council referred to my hon. friend from Winnipeg North Centre, whom everyone in this house and in the country respects as an honourable man, a man who is concerned to see that parliament functions properly, as a "master of the red herring." Such a remark was, in my view, irresponsible. As I was saying, despite the giggles and interjections of the President of the Privy Council, even now the government can say it is prepared to recommend the report less the hooker in 16A, that it is prepared to try out the new procedure on the basis of agreement for the rest of the session, and if they find it unworkable they will come back next year and seek to change the rule. Surely this is a better way.

Some hon. Members: Hear, hear.

Mr. Lewis: If the government is prepared to do that—

Mr. Macdonald (Rosedale): Which one do you describe as the hooker?

Mr. Lewis: That part of 16A which gives the President of the Privy Council the opportunity to meet by himself and make a decision against the wishes of the other members of the committee and then bring it before this house, relying on the majority which the government has to take away the rights of members should he desire to do so.

Mr. Macdonald (Rosedale): Is the hon. member objecting to the quorum provision or to the fact that ultimately the majority of members in the house would decide on the allocation?

Mr. Lewis: Come, now. Like the hon. gentleman I have practised law, and if I have not been in the house for many years I have been in politics for quite a few years, and the minister cannot ask me whether I am going to stop beating my wife and expect a direct

answer. I object to everything in rule 16A except that part which deals with agreement with decisions reached by unanimous consent of the entire committee. Really, I am appealing to the government, if it is of any use, to follow the course I am proposing. It has a duty in my estimation to give my suggestion a try for the remainder of the session. See whether the opposition parties will co-operate to make parliament function properly. For our part, we shall agree to a reasonable allocation of time, we shall work with the government to see that the business of this house is accomplished in a proper way and that the committees function in a proper way. I say on behalf of the party which I have the honour to lead in this house that we shall give the government every co-operation to that end, and I should be very surprised if the party which the Leader of the Opposition (Mr. Stanfield) leads is not prepared to do the same.

Some hon. Members: Hear, hear.

Mr. Lewis: If the government is willing to accept that challenge, then this debate can end.

• (4:20 p.m.)

Another reason I find it difficult to accept the general proposition about motives in this case, which I stated earlier, concerns something which the Prime Minister and the President of the Privy Council said. Either these words mean something or they are just words, sand in our eyes and in the eyes of the Canadian people. The Prime Minister said last night:

> —if valid arguments for modifying the proposals are made in the debate, we will not feel bound to adhere strictly to those recommendations. We will consider any reasonable proposals put forward for consideration.

How can that be done here? By the procedure which the government has chosen to place this report before the house with Mr. Speaker in the chair we are not permitted to move any amendments other than that the report be referred back to the committee. How then can the government take into account any reasonable proposals? Are we playing games, or are we being honourable with each other? If they are prepared to consider reasonable proposals they must make the next step to create the forum in which those reasonable proposals can be brought forward in negotiation, and consider them. Otherwise these are no more than words.

The President of the Privy Council made a similar statement last night, and I suggest that statement was no more than words, because if the Prime Minister and the President of the Privy Council mean what they say, that they are prepared to accept reasonable proposals for change, then to me their duty is simple. They should say they are prepared to send the proposed new rule 16-A back to the committee where those reasonable proposals can be put to them and where they can consider them. Then we can move on with the legislative program that the government has stated it has, and the suggestions made by my colleague, the hon. member for Winnipeg North Centre can be considered, as well as other suggestions.

There certainly are problems. Unemployment in the country is growing higher. Housing is still a crisis. The western farmers have great difficulties resulting from weather and other causes. Government reorganization is an important matter I would like to learn about. We get shunted from one minister to another without knowing exactly what the new set-up will be in areas like regional development, in areas like communications, in areas like a department of supply or whatever it will be called. It is time we heard about these things, and we are prepared to listen to the government on these issues. These are things that should be done now.

As I have said, if the government were prepared to do what I consider to be—and I am not using these words offensively—the civilized, reasonable thing among people who are trying to make a civilized place of this parliament to deal with modern times, then I suggest the government ought to yield on this one point of sending rule 16-A back to the committee. But obviously, Mr. Speaker, the government does not intend to do so.

Like many others in this house I have in the last few years spoken frequently about the need for parliamentary reform. But I reached the precisely opposite conclusion to the one that it seems to me was reached last night by the Prime Minister who gave one of his charming, professorial lectures to the house. What is the problem of this parliament, of other parliaments, if you will permit me to be professorial for a minute or two?

Mr. Knowles (Winnipeg North Centre): And charming.

Mr. Lewis: That is not for me to say. It is the problem rising out of a changing social environment, but not of an abstract kind about which the Prime Minister spoke; it is about some of the very concrete things of

modern life so far as they relate to the work of parliament.

The problem derives from the fact—I know some hon. gentlemen agree with it and I know that some are not very much in favour of it—that the role of government grows yearly, that the intervention by government in the lives of the ordinary people of the country, indeed in the lives of the ordinary people of the world, grows daily. It derives from the fact that modern society places more and more duties and more and more demands on those who govern the people and on those who legislate on behalf of the people. This is the source of the problem, and the source of the problem is compounded by some other facts that we ought to recognize in a modern legislative situation.

The first of these facts is the power of the civil service. It is a myth that in most cases the laws are drafted by the ministers of the crown. In most cases the laws are drafted by the senior civil servants.

Some hon. Members: Right.

Mr. Lewis: The role of the government has grown bigger, and within the government the power of the Prime Minister has become pretty nearly unlimited in our modern society.

Mr. Knowles (Winnipeg North Centre): Horrendous.

Mr. Lewis: As every writer on political science has outlined in dealing with the British, New Zealand, Australian and Canadian systems of government, the Prime Minister of our government has unlimited power. When one talks about the President of the Privy Council making a proposition, he does not make it unless it is approved by the Prime Minister, nor does any other member of the cabinet unless the Prime Minister has approved it. Therefore this problem in parliament derives from these facts, the fact that more and more is demanded of the legislature and of the government, the fact that government intervenes more and more whether one likes it or not, and the fact that the power of the government is concentrated in the hands of the Prime Minister.

The conclusion I reach from those facts is not the conclusion that the Prime Minister reached last night. I must speak very carefully and say he did not state it in these words, but to me he implied that the result of these developments is that parliament should have less power and the government should have more control over parliament. I say that precisely the opposite conclusion follows if we are to have a meaningful democracy. Precisely because the power of the government is so great, precisely because the power of the civil service is so overwhelming, precisely because power is concentrated in the Prime Minister, it becomes more urgent than ever that parliament continue to have the right to control the acts of the government.

Some hon. Members: Hear, hear.

Mr. Lewis: This surely is the right conclusion. How does parliament control the acts of the government? It is not merely by a vote on a piece of legislation. If you have a majority government that vote is automatic under our system, whether it should be or not. It is automatic, it is there, and the opposition cannot do anything except register its opposition—period. It does not change a thing.

The way in which parliament controls the government under a modern system, with modern communications, is to speak and for our words to be heard by the people of Canada, because the ultimate control is necessarily the vote of the people of the country. Unless the backbenchers of every party, including the government party, have ample opportunity to express their views, to speak on behalf of their constituents, to underline the needs which their constituents press on them, then you have government without the control of parliament.

I hope no one will be offended when I say there are two ways of having a one party state. One is to prohibit opposition parties from existing. That is open totalitarianism. The other way is to permit opposition parties to exist and to elect members to parliament and when they get here to muzzle them.

Some hon. Members: Hear, hear.

Mr. Lewis: That is the way to create a subtle one party state, and it is not an exaggeration to say that is precisely what rule 16-A proposes.

We have heard from the words both of the Prime Minister and the President of the Privy Council that they are reasonable men. Last night the right hon. Prime Minister said a reasonable time would be allowed for debate. When I interjected and inquired, "who will say what is a reasonable time", he replied, "reasonable men."

I have often said, Mr. Speaker, that our Prime Minister, whom I have had the pleasure of knowing for some years, is one of the

cutest political ingenues this country has ever produced. I say there is nothing ingenue about him. Every word is calculated. When he uses a word it has a meaning and when he leaves out a word that also has a meaning. When he answered my interjection "who will decide what is a reasonable time" by saying "reasonable men", that had only one meaning. Reasonable men on the treasury benches. They are the only ones who will have the right to pass on what is a reasonable time for debate. Backbench members of the government party, if they were not bound by the traditional discipline that sometimes is so overwhelming it tears one's conscience, would themselves say they are not prepared to leave the judgment and decision in the hands of those on the treasury benches to decide what is reasonable time. The only way to know what is reasonable is by discussion and debate.

• (4:30 p.m.)

I recall a little discussion I had a few years ago with Mr. Ivan Rand, an ex-judge of the Supreme Court of Canada. We were both at a session of the Law Society of Upper Canada taking part in some lectures in the field of law. We were listening to someone who kept on saying, "the fact is". Mr. Justice Rand turned to me and said, "David, whenever I hear someone say "the fact is" I have before me the representation of a four-walled prism made of glass. One side of the prism is made out of an ordinary pane of glass. Another side of the prism is made of magnifying glass. The third side of the prism is painted red on ordinary glass. The fourth side of the prism is magnified and painted red. Then you throw in a little green pea." Mr. Rand said, "If I look through the ordinary glass pane I see an ordinary little green pea but when I look through the magnifying glass which is painted red I see a huge red ball." That is what "reasonable" is in this context. Who says whether or not it is reasonable? Whether or not it is reasonable depends on whether you look through the ordinary piece of glass or through the magnifying glass painted red. How does one arrive at a conclusion in this regard in a civilized society? It is done by discussion and give and take on the part of all parties concerned, if you are a person who is motivated to make parliament work in the interest of the Canadian people and not otherwise.

On a number of occasions the Prime Minister has spoken about participatory democracy and about the need to involve people in politics. I ask the simple question, how seriously can those words be taken when one of the first important steps he takes as Prime Minister of this country is to deprive members of parliament of their opportunity of participatory democracy. Who else in this country has a more direct involvement in politics than those whom the people elected to represent them in parliament? How seriously can this kind of theoretical stuff be taken from one who seeks to decrease, stultify and, if he can, cut out altogether the involvement of ordinary members of this house in the running of this country?

Will this political power be used? Will the government be unreasonable? I do not know. As the Leader of the Opposition, and as my colleague the hon. member for Winnipeg North Centre said yesterday, the assurances that may be given are of no value. In the heat of battle God alone knows what might be reasonable. I do know, however, that if there should be a measure in the future about which the government feels very deeply and is determined to pass, it will use rule 16A in any way it sees fit in order to get its way.

Like many members here I have studied now for some 40 years the theory of politics and political science, and others who are younger have studied it for fewer years but just as intensely. Therefore we are aware that if anything is valid in the history and theory of political science it is that if you give a person or body a power you may be darned sure that that power will be used. Furthermore, if anything is true in history or political theory it is that no one seeks a power which he does not intend to use. And when the government seeks the power contained in 16A it intends to use it and there is no control over the manner in which it might be used, except by discussion with opposition representatives to arrive at an allocation of time, agreement by sensible, civilized behaviour on all sides.

I see no reason in the world why I should be asked to trust the government to be reasonable when the government insists that it cannot trust the opposition to be reasonable. Man for man, Mr. Speaker, we may not be better than the members of the government—I repeat, "we may not be"—but I assure you that we cannot be any worse. We are as determined to be reasonable in conducting the affairs of this parliament as is any member on the government side whether he be on the front-benches or on the backbenches.

One of the arguments for the extreme need to be tough about the allocation of time which the President of the Privy Council used was

the prolonged flag debate. I do not recall whether he made that statement in this house or somewhere else. As it happened I was not a member of parliament at that time. This occurred during the parliament of 1963-65 and I was defeated in the election of 1963. Like very many people outside parliament, I felt that that debate was a waste of time. I was irritated that members of a certain party were responsible for dragging out that debate. I still feel that perhaps the debate was somewhat too long, but I say very seriously to the members of the cabinet who are here that often in retrospect I have thought it might well be that the length and acerbity of that debate served a purpose for Canada.

Having travelled across this country and having met many people who objected to the abandoning of our former flag, it seems to me it might well be that the bloodletting which took place on the floor of this house and the arguments which took place here as well as the length of time the debate took, which gave the people of all regions an opportunity to write and send wires to their members, might be the reason, historically speaking, that Canadians accepted the flag in a manner and in a way in which they might not otherwise have done. I suggest seriously that perhaps that debate should have taken half the time it did, but I am confident that when there is a major issue of that sort the expression of the people's feeling about it in the house and the opportunity given to the people of Canada to express their feelings through their members is an example of the way in which democracy works. It is the way in which the consent is obtained of the people who are concerned about such a matter and it is the way in which to avoid having constant and continuous feeling of bitterness and frustration on the part of those who have been defeated.

• (4:40 p.m.)

Democracy works by consent only when it gives those who oppose what is being done the fullest opportunity to express themselves, so that they do not live with the frustration of having had something shoved down their throats without having had the right and freedom to think about it and to speak on it. I claim no originality for that statement. Surely this is an elementary fact of the democratic process. Nowhere should that fact be reflected more carefully and clearly than in the parliament of Canada. This is what the proposed standing order 16A would endanger.

The Prime Minister last night made a speech in which for the most part he talked about the need for change. He does not need to persuade us about that. We have in our party, and I think members of all other parties as well, Liberal, Conservative—I am not sure I have heard the Creditistes say this—advocated the need for changes in the rules.

[*Translation*]

I do not often have the opportunity to go to the province of Quebec—

[*English*]

I have heard Conservatives, Liberals and members of my party talk about the need to reform parliament. We accept that proposition. But when we think of reforming parliament we have to accommodate two opposing principles. Both principles are important, but I believe one is more important than the other. We should not move in the direction which the government indicates. The two principles we have to accommodate and reconcile are the principle of efficiency and that of adequate freedom of speech in this parliament.

Some hon. Members: Hear, hear.

Mr. Lewis: I agree with the Prime Minister—and we in my party said this a long time ago—that if parliament is so silly and if members of the opposition are so silly as to prolong a debate on one bill beyond a reasonable time, what they are doing is preventing the possibility of debate on another bill which may be equally important. They are cutting their own throats; they are doing a disservice to Canada, whichever way you like to put it.

Therefore efficiency is an important principle. But efficiency for what, is the question we have to ask. Efficiency for what purpose, is what we have to decide. Is it efficiency merely in terms of the government getting its measures passed with the least possible difficulty, or is it efficiency in terms of conducting the work of parliament so that there takes place the fullest debate possible under the circumstances, an expression of all views, a confrontation of differing and conflicting philosophies, a consideration of legislation with as much objectivity as any politican can muster? That is the kind of efficiency I am talking about, not the kind of efficiency that is represented in proposed standing order 16A.

Some hon. Members: Hear, hear.

Mr. Lewis: We should think of the efficiency of parliament in those terms, not of the

efficiency of parliament in bureaucratic, technocratic, organizational, computer terms, which I must say the Prime Minister and the President of the Privy Council seem to me to be thinking about, wherein you say there should be one hour for this, one day for that, one and a half days for that, 40 minutes for this, and 60 minutes for something else. It is not something that you can put on a tape and run through a computer. I am darned if I can see any sense in it.

But if you think of efficiency in terms of the functions of this parliament, the functions of members of parliament who are here to speak on behalf of the people of Canada, each one of them, backbench as well as frontbench, then of course you can come to a reasonable conclusion because in that case you look at a bill and see that it has only three or four clauses, the principle is not terribly controversial, and it can be dealt with in half a day. Or you look at the omnibus bill to amend the Criminal Code and you say, in discussion in committee, "This is a large bill which deals with a number of subjects, there are deep feelings about it, and we will have a debate of three, four or five days in order to be sure that every point of view is adequately expressed in parliament." That is the reason we are here.

I suggest this is the only way we can reconcile the conflict of efficiency with the need for freedom of speech. This is why we in the opposition cannot agree to leave the decision as to what is reasonable time, and the decision as to exactly how much time is to be given to what, not only in the house but in standing and select committees of the house, as members have already indicated, to the government. I do not say this because I think this government is any worse than other governments Canada has had. I happen to belong to a party and to have a philosophy that does not consider any other government has been of the best for Canada.

Mr. Turner (Ottawa-Carleton): You are short on experience.

Mr. Lewis: Maybe that is it. I do not say that because I do not trust the members of the government as individual human beings. I do. I am sure every other member of the opposition would agree that they are honourable men. Those who have wives do not beat them, and those who have dogs do not beat them. One can rely on their being humane and decent in normal circumstances. I had to say "those who have" for obvious reasons.

[Mr. Lewis.]

But you cannot leave this kind of power to a small group of men to control, subvert and destroy the effectiveness of this parliament to function on behalf of the Canadian people.

My time is up, Mr. Speaker. I want to end the way I started. I plead with the President of the Privy Council, as the minister responsible for the subject matter of the reports, to seriously consider making this concession to parliament, namely, leaving the committee on procedure to act by agreement for the rest of this session, knowing that he has the authority under the rules which the committee of which he was a member proposed to set up a permanent standing committee.

The President of the Privy Council gave an undertaking last night. He gave it to us, so it would certainly be good for him. When the President of the Privy Council speaks to the hon. member for Rosedale he can tell him, "I gave this undertaking to the opposition and must keep it." I refer to the undertaking that this permanent committee will review the rules that are to prevail for the remainder of the session. I plead with him to do that so this debate is not prolonged, so we can get to the legislation which the government says it wants to put before us.

If the opposition does not behave for the remainder of the session, if the committee on procedure does not function on the basis of agreement, those of us who are anxious that it function will be here at the next session to listen to his proposals for improvement. But if we show that this committee does function, surely it is better to have an allocation of time by agreement than to have one by dictatorship. I appeal to the President of the Privy Council even at this stage to accept this suggestion and to see whether we cannot have a stabilized parliament that works in co-operation, as everyone wants it to do.

Mr. Steven Otto (York East): Mr. Speaker, having listened to the hon. member for York South (Mr. Lewis) and others, I was quite convinced that the purpose of the new rules was to reduce the time for debate to about two months. I had to read them again to convince myself that this is not the case at all. They are not going to limit debate. We will have more time for debate because the 15 or 16 committees will take a great burden off the house and all those things we want to debate will be debated.

• (4:50 p.m.)

The question is, which subjects will be debated? Again, under the new rules the

opposition will have their choice in many respects, but it seems that the hon. member for York South is questioning the reason for this. Apparently he believes that the government will not be reasonable and the power which the opposition had will be used by the government, as he said, maliciously. According to him the government will use the power in an unreasonable way but the opposition will use sweet reason at all times. Never will they try to pile up points for the next election, never will they try to filibuster. Obviously the impression is left that the people gave a mandate to the opposition to use the power and not to us. May I remind you, Mr. Speaker, that in the last election the mandate was given to the government, not to the opposition.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Forty five per cent.

Mr. Otto: No, 52 per cent. In listening to the speeches from the Conservative side I was reminded of a statement made by the right hon. member for Prince Albert (Mr. Diefenbaker) when he took me to task about three years ago and said "the young gentleman", meaning me—

Mr. MacEwan: It certainly was more than three years ago.

Mr. Otto: —is under the impression that this house is a legislative body. I want to remind him that this is not a house for legislation or for governing; it is a house solely to maintain freedom and a place to express grievances." That is what he said and that is what the hon. member for Edmonton West (Mr. Lambert) has repeated. He said it is not a legislative grist mill. If this were a debating society without any connection with the public and without any idea of what the public will is, all of the arguments used would have been valid. However, I would like to remind the house that so far as the people are concerned it is their will that this be a house for legislation. They want legislation to be passed here. But no one has yet been able to tell us how we will be able to get 80 or 90 bills through this house without having to invoke rule 16-A.

An hon. Member: Try us and you will find out.

Mr. Otto: Unless such is the sweet will of the opposition, of course. That is what the people want. The fact is that the Prime Minister is not only changing the rules of this house but also changing the structure of the government itself.

Mr. Knowles (Winnipeg North Centre): You were right on the first one.

Mr. Otto: The people thought we were a legislative body. They found we were not, and they are disenchanted with us. Here we are, a nice little debating club discussing rules of procedure and hope we will be able to get a little more popularity or use from the people on the opposite side and how to add up points and ammunition for the next election. That is not what the people want, and this is the very point at issue. Surely you, Mr. Speaker, must acknowledge that it is not only the rules of the house that are being changed but also the whole structure of the government. No one could have missed the announcement by the Prime Minister that there would be a change in the whole cabinet structure.

The hon. member for York South pointed out what the Prime Minister has already said, that indeed it is questionable whether the cabinet itself sets down policy, that in many cases it is the administration, the senior civil servants, the establishment, the mandarin class that does so. Why do hon. members think we now have a schedule for ministers? The Prime Minister himself has said we must give time to the ministers to look after their departments and to come up with policies. There is nothing strange in this. Have you not heard of regional desks?

Mr. Lambert (Edmonton West): But they are not part of government.

Mr. Otto: There is nothing sanctimonious about members of parliament, but the purpose of all these rules, and especially of rule 16A, is to make this house a functional body which will live up to the expectation of Canadians.

Mr. Peters: A substitute for brains.

Mr. Otto: I am not saying that the proposed rules will take away power from the backbenchers because the backbenchers have never had power, and it is sometimes questionable whether the cabinet has ever had power. However, we certainly like to fool ourselves and our constituents by telling them what powerful people we are. There has never been any communication between the backbenchers and their constituents and the

real seat of the government. I had great expectations in regard to the new rules because they send the estimates to committees and I expected that this would allow the backbenchers, including the backbenchers on this side if they felt very strongly about an issue, to vote a reduction in the estimates without a vote of confidence, indicating that they had some power when they questioned the administrators so that the administrators would be more co-operative. The backbenchers are supposed to have this power. However, I have the feeling that the time will come very shortly when the backbenchers will be instructed not to use this power and that it will be unheard of for these estimates ever to be reduced. If we do not have power over the purse I doubt that we are going to have any power, and I doubt that the administrators are going to be very co-operative.

An example of this was what happened recently in the committee on transport and communications. One of the Liberal members had asked for information concerning a contract between the Kaiser Corporation and the government of Canada. The answer was that of course it could not be produced, and in fact it was not produced. I do not think any particular reason was given for not producing it. I myself have asked the Department of Manpower and Immigration officials to produce their little secret booklet indicating the points for all the trades and all the classifications of trades. I was given a wonderful story about the usefulness of this booklet and about how it changes every three or four months, but I have never seen it, nor has anyone else. As long as backbenchers have no power over the purse, this will continue. I doubt that the estimates will be as carefully scrutinized as we would like if this power is taken away from the backbenchers. I do not think for a moment there would be five or six Liberals, except on a very important issue, who would vote against an estimate. However, there is a possibility that it can be done and the administrators know that that possibility exists.

Mr. Deputy Speaker: Order, please. It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

[Mr. Otto.]

POLLUTION

PROPOSED ESTABLISHMENT OF COMMITTEE TO INVESTIGATE PROBLEM

Mr. David Anderson (Esquimalt-Saanich) moved:

That a special committee of the House of Commons composed of not more than 15 members, to be later designated by the house, be established to investigate generally the problem of pollution in the waters and air of Canada, and the plans of the federal government in relation thereto, with powers to report from time to time its observations, opinions and recommendations thereon.

He said: Mr. Speaker, the notice of motion which I am introducing in the house today is to set up a committee to consider the ever-increasing problem of pollution in Canada, in North America and elsewhere in the world. Perhaps I should address myself first to establishing the fact that the problem exists and, second, to describing how I think a committee of this house might help to alleviate the problem.

Pollution is an inevitable aspect of man's existence. Whatever a man does, wherever he lives, his action will ultimately be considered by some other person to be in some way interfering with nature. So, I think we should realize that there is no easy solution to this problem. We should bear in mind that we must do what we can to minimize the problems that pollution raises. But while pollution to some degree is inevitable, what is not inevitable for Canada, and we are perhaps lucky in this respect, is a high level of pollution. We do not yet have the development that exists in other countries of the world, and I do not think it is inevitable for Canada's heritage of lakes, forests, streams and other natural advantages to be destroyed when the country develops. I think it is important to realize that while, on the one hand, we may not have the world's highest standard of living, we are perhaps fortunate in that we have large areas of unspoiled country, and thus we may well enjoy the world's highest standard of life. It is hoped that in the future we will be paying particular attention to these points, that we will be doing what we can to preserve in this country the streams, forests, lakes and clear skies which I think we all appreciate so much.

• (5:00 p.m.)

In North America, Mr. Speaker, the rate of urban development is becoming greater and greater. It is estimated that in the year 2000, only some 30 years hence, there will be three

cities in North America, three collective conglomerations of cities, which will have total populations of something like 140 million. These will be between Boston and Washington on the east coast, between San Francisco and San Diego on the west coast and between Chicago and Pittsburgh in the centre of the United States. We in Canada may not have cities of the same size but we will have the same problems. In the Vancouver area of British Columbia it is quite possible that the entire lower mainland will become one urban area. It is certainly possible that the enormous population surrounding Toronto will be linked up in one large urban area, and we may well have a city there which will be as large as New York city is now. I think, therefore, we should not say that because we have space in this country we will not be faced in the future with the same problems the United States faces today. We should realize that these problems do exist and we should do what we can now to prevent the change of our environment from radically altering our environment for the worse.

I do not want to belabour this particular point. We have with us in this house, by great good fortune, the hon. member for York West (Mr. Givens) a former mayor of Toronto, who is an expert in the urban field. I am sure he will have much of interest to say on this subject in future debates. I should like to leave you with the thought that in 30 years time, I certainly hope well within your lifetime, Mr. Speaker, and within mine, we will be having urban centres in North America with populations from 40 million to 50 million. Even now, with population centres much less extensive, we find that in North America, in Canada, there are lakes which are dying, bays and rivers which are becoming nothing more than open sewers.

I think we are very fortunate that the people of Canada have become aware of this problem. Perhaps they are well ahead of political leaders in this house, in the provincial legislatures in municipal politics. The people of this country are concerned. We can tell this from the correspondence we receive and from the representations that are made. There is a great demand for clean soil, for pure air and for pure water. They know that these things are vital to our way of life, to our enjoyment of our natural environment.

Every year there are more organizations and more and more individuals who realize that in order to preserve the standard of life we enjoy, we Canadians must take steps to preserve our natural heritage. The problem is extremely complex. It cannot be solved, as I mentioned earlier, simply by spending a lot of money in one area or by following one single program. The solution of the problem will require time; it will require patience and certainly it will require large sums of money. If I may digress let me mention for a minute this question of money. In the United States today, in one way or another, $10 billion is being spent on pollution control. When we compare that with our entire Canadian budget of $12 billion, we realize there is a fantastic amount of money already being spent for this purpose, but from all appearances without any great success. This I think emphasizes that the whole problem of pollution control is expensive. Ultimately the people who will pay will be the public, either through taxation or through higher prices for industrial products.

I should like to quote Dr. W. R. Drynan of the research institute of the University of Waterloo, who said:

> Pollution control is a matter of establishing priorities, but first we have to establish the goals of society. Technology exists for an acceptable level of pollution control, but a value judgment has to be made and then society has to decide whether or not it is worth while to spend the money.

It is perfectly clear from this statement that money has to be spent and that a great deal will have to be spent. I suggest to the members of this house that if it is not spent now, if we do not set our sights high enough now, if we worry too much about costs today and too little about the bill for pollution tomorrow, we will not have much of a legacy to pass to future generations in this country.

The question of pollution embraces a great number of disciplines. The obvious ones are biology, physics, chemistry and engineering. There is also agronomy, ecology and even acoustics, as the people living near the Toronto airport know. Bacteriology and thermodynamics are also involved. Similarly, we have a great number of government departments involved in pollution control. One is the federal Department of Fisheries. The Department of Transport is also involved, as is the Department of Energy, Mines and Resources. Another department that comes to mind when we consider pollution control is the Department of National Health and Welfare. I have just given these four examples from the federal field. The provinces are involved in this area because the constitution gives resource management to them. On this point I believe it would be worth while to

quote a noted authority in this field, Mr. F. H. Finnis, who states:

> The provinces should take primary responsibility for pollution control because, constitutionally, it is their field.

As we can see, there are many government departments involved and there are various levels of government involved. At present there is no body which co-ordinates these various aspects of pollution control. It is for this reason that I have suggested a house committee. I feel that at present the problem of pollution control is dealt with in its various aspects by various departments at various levels of government, and we have nothing which brings these various aspects together and focuses attention on them as a whole. This is particularly important. There is a need for a committee of this house to devote itself to this task, and to this task alone.

It is suggested that perhaps there are other committees of the house which are capable of examining the various aspects of pollution control and therefore there is no need for another committee. I submit to you, sir, that many of the things now done by other committees, should be done by a single committee on pollution, and would be done better. This committee might have representatives from, say, the fisheries committee, the health and welfare committee, or any other committee of this house. I am not concerned with its composition at this stage. My suggestion is that a single committee can focus attention on this problem of pollution control. With it we would then be better able to make the extremely important decisions on resource allocation which the whole question of pollution control requires.

• (5:10 p.m.)

Although some people feel there are already too many committees, a further committee would in no way result in any overlapping or duplication of the work of civil servants who at present testify before other committees on the subject of pollution. What should happen is that instead of testifying before these many committees, members of the Department of Energy, Mines and Resources would have to testify before only one committee. I think this is an important consideration and might save time. Certainly there might be a saving of the very expensive time of government civil servants, and for that reason alone I think it well worth considering.

The argument that in some way a committee of this nature would get into what is a provincial jurisdiction and thus cause friction with the provinces is, I think, also fallacious. It is true that this committee would be able to summon any witness and make any report that it feels necessary. In no way would it be restricted entirely to the consideration of aspects within federal jurisdiction. The committee can suggest, for instance, that in a certain area of pollution control nothing should be done without the co-operation of the provinces, and that therefore the federal government take the steps necessary to co-operate with the provinces to achieve a certain end. I cannot see any real problem about this committee interfering in areas of provincial jurisdiction.

I do not think we need at this time go into the details of how the committee would be set up and who would decide its terms of reference.

I should like to sum up my remarks by saying that the problem of pollution exists and I think all Canadians are now becoming aware of that fact. But that is not what I am trying to demonstrate here today. What I am saying is that a committee of this house, which would have the opportunity of calling witnesses and of travelling to various parts of the country to observe pollution problems that might have been caused by industrial exploitation or by any other circumstance, would perform a useful function. I cannot accept the arguments that this would interfere with the functions of other committees or that it would be an interference in a provincial jurisdiction.

Therefore I hope that those who follow me in this debate will limit themselves to discussing the pros and cons of establishing such a committee. If they do this with maximum dispatch then perhaps we can come to a vote on the matter this afternoon and recommend to the government that the setting up of such a committee be considered.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I rise particularly because I want to express my support for what the hon. member for Esquimalt-Saanich (Mr. Anderson) has said this afternoon in connection with this very important matter. I am quite prepared to vote for his motion if it comes to a vote, and I will be glad to give further support if he will follow this through with a later motion, or take whatever course he chooses, in order to bring about a very desirable improvement in the pollution situation that exists all over Canada.

I am sure I will be excused if I refer especially to the situation in my own province of New Brunswick, because in that province pollution is a most difficult problem to solve. Questions of jurisdiction are involved. In this regard I draw to the attention of the house and the sponsor of this motion that New Brunswick has two rivers, the Saint John and the St. Croix, which may both be considered international rivers. Since they are international rivers they fall within the ambit of the international joint commission. As it is a body composed of representatives two countries instead of one, jurisdictional difficulties are just about doubled.

The Saint John river flows along the border of the state of Maine and New Brunswick, entering our province at the city of Edmundston. At this point the river is an international one since it is the boundary between New Brunswick and the state of Maine. About 50 miles farther on the river becomes entirely a New Brunswick river, though farther back toward its source it is entirely within the state of Maine.

The river flows through New Brunswick parallel with the boundary for about 100 miles. Small streams which spring from the state of Maine flow into the Saint John river, and the pollution of the Saint John river, generally speaking, comes from plants situated in the state of Maine. This pollution flows into a great many of these small streams that join the Saint John river and consists partly of ordinary sewage from towns and partly of waste from processing plants of one kind or another.

I mention this so as to bring to the attention of the house the great jurisdictional difficulties that exist here, though I do not suggest these difficulties are entirely confined to our particular situation. However, Canada does have a 4,000 mile boundary with the United States, a good part of which is water.

Before terminating my remarks I think I should refer to the situation that affects the Saint Croix which is almost entirely an international river. We are trying to preserve the salmon fishery of the river, but since several towns are situated on both sides of the border along the river the improvement and restoration of the salmon fishery are most difficult. So many jurisdictional problems are involved.

The people of the town of St. Stephen on the New Brunswick side of the river are most anxious to bring about this improvement because the pollution at that point is getting to be scandalous. A pulp mill is situated upriver about 15 miles and pumps its effluent into the river. Immediately across the river on the Maine side is the town of Galais. A little farther upriver is Milltown on the New Brunswick side. These towns collectively have a population of something like 15,000 to 20,000 people, half of the people residing in the state of Maine and half in New Brunswick, and they are concentrated in this small area.

Although this makes a solution difficult to find, it does not mean that nothing should be done. I submit that it is the function of governments to pay attention to problems such as this. However, since the federal government and the provincial administration must first get together, and then the municipal administrations and the two countries themselves must be brought into the discussions, one can readily see that the task is far from easy.

Last summer a processing plant so polluted one of the rivers in the county of Carleton that people driving their automobiles along the road running parallel to the river had to wind up their windows to shut out the terrible odour. The people of the little town of Centreville did the best they could to get some action about this from the authorities in the state of Maine since the plant was on the U.S. side, but without result. Therefore they decided to take the law into their own hands and built a dam across the river between New Brunswick and Maine. A bulldozer was donated to them; they built a dam, dammed up the water and shoved it back into Maine. It was only a few weeks before relief was afforded to people of the town. They went in and knocked down the dam. I was one of a fairly large group of people, some 800 or 1,000, who erected a monument to the people who built the dam. It is still there but there are no names on it. I submit it is a symbol of the frustration people feel in connection with pollution.

• (5:20 p.m.)

Certainly pollution has never received adequate attention by governments at any level. The hon. member for Esquimalt-Saanich (Mr. Anderson) deserves to be commended for bringing the matter to the attention of the house. Since he has brought it forward perhaps some of our governments may react to his proposals and do something to benefit those parts of the country suffering from pollution.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, may I say a few words on this

motion. I know that it calls for a special committee to be set up to deal specifically with pollution but I am not too sure we need a committee. We already have a national resources committee not much larger than the 15 man committee suggested here and it deals primarily with Canadian water resources. It would not be too difficult to have that committee tackle this problem. Mind you, I am not objecting to a special committee being set up. I say that because for many years I have spoken out against the lack of federal or provincial control over pollution. In this day and age it is a pretty severe indictment of the types of governments we have had, both federal and provincial, that we have reached the stage where pollution has become a danger of such proportions that mankind's very existence on earth is threatened.

In my hand I have a clipping printed by one of the British Columbia papers just over two years ago. The article is headed, "Man's Future Soon Will Be Known". It deals with the opinions of Ernst Mayr, director of the Harvard Museum of Comparative Zoology. The article says in part:

> Life on earth will probably persist for millions of years, but there is little chance man will be among the surviving species, a Harvard zoologist said here Monday. Ernst Mayr, director of the Harvard Museum of Comparative Zoology, said in an interview that we may soon know whether man will survive. Either some cataclysmic event, such as a nuclear war, will end man's tenure on earth, or through a tremendous effort of self-control he will make a new start, Mayr believes. One or the other probably will take place in the lifetimes of people now living, he said.
>
> Describing himself as pessimistic of man's chances for survival, Mayr pointed out that 99 per cent of all life forms which have existed have become extinct. If man is to persist on earth there are two things he must do, and do at once, according to the Harvard scientist. He must quickly learn to control the increasing human population, and he must learn to stop destroying the environment.
>
> "Man's ability to control the environment was said to be his biggest advantage over other species," Mayr said. "In the beginning this was true, as he invented shelters and clothing to protect him from the weather, and weapons and tools to help him harness the productivity of nature."
>
> Mayr said the contrast of those ancient times with these modern times is dismal.
>
> "Now almost everything we do is harmful to the species and works against its survival. We make the air unfit to breathe, the water unfit to drink, we seed the atmosphere with radioactivity, erode the soil, clear the land and plaster it with asphalt and concrete," he said. "Our destruction of our environment seems endless."

I will not read the rest of the article, but what I have read is a sampling of what has been coming to governments at all levels—municipal governments, provincial governments, federal governments and even to the United Nations. The top scientists of every nation on earth have warned that we are in danger of wiping mankind from the face of the earth. And we have been heedless of those warnings.

Politicians are primarily to blame for our pollution troubles. I say that because many politicians and governments are afraid to move against the powers that be which are responsible for much of the present-day Canadian pollution. Perhaps the offender is a big industrial plant pouring effluent into a river; perhaps it is a plant pouring filth into the air. Always the economic weapon that is used against the workers, governments and people of Canada is, "If we are forced to take effective measures, it will cost money and we will be priced out of the market." That is why all across the dominion of Canada in 1968—and I do not care where you go—there is no effective pollution control. Neither provincially nor federally have we proper legislation with teeth in it. There is no appropriate legislation in any of our great country's jurisdictions to take care of this problem which has become acute. I say it is time that Canadian politicians and the Canadian people realized that we cannot deal with pollution by closing our eyes and going to sleep. We must sit down realistically and tackle the problem, find out what is causing pollution, find out what it will cost to fight it and learn what governments will have to do to control it. We must discover what regulations will be necessary to fight pollution; we must draft and enforce those regulations regardless of which party is in power and see they are adhered to.

• (5:30 p.m.)

I wish to draw the attention of hon. members to one or two facts to show how serious the pollution problem is. I know there is not one hon. member in this house who has not a file on pollution and who cannot recite problems relating to some stream, river or lake with regard to pollution, or perhaps the problem might be one of air or land pollution.

I turn now to the situation in British Columbia. After all, I come from there and I am more familiar with what goes on in that province. We have a government in office in British Columbia which has ignored this problem. For two or three successive years

representatives of opposition parties in the legislature pressed the administration to bring in laws against air pollution, but all their efforts were unsuccessful. To me, this failure by the government to take action amounts to sheer stupidity. But that is what happened. Members of all parties gave instances of spawning beds being harmed by the pollution of some of our great rivers and streams. In my own area of Kootenay West, one of the most beautiful parts of Canada, sections of the Kootenay river are so polluted that health authorities have issued warnings against using the water or even swimming in it. I presume the fish are seriously affected.

This is not an isolated case. This is happening in every province in Canada. It is happening because we have failed to take time out to study this problem and make certain that we are in a position to force individuals, industries and government, too, to adhere to certain strict principles which we in Ottawa should be prepared to lay down.

In closing I should like to say I have a vast amount of material on this subject together with a long list of solutions, or suggested solutions, which I should like to put before a committee or before this house when a suitable opportunity occurs. We cannot afford any delay in tackling this problem. Whether the job is done in a special committee or in the committee on natural resources, it must be carried out, and I urge members of this house, particularly supporters of the government, to insist, regardless of what those on the treasury benches may think, that a committee be set up to look into this problem and propose legislation for enactment before the first session of this parliament is completed in June.

I urge hon. members to support action along these lines to see whether we cannot make 1969 the year in which we really made a start in trackling the pollution hazards which confront the Canadian people today.

Some hon. Members: Hear, hear.

Mr. Ray Perrault (Burnaby-Seymour): First of all, Mr. Speaker, I wish to commend my colleague from British Columbia for his action in putting forward this resolution. I think the interest he shows in this subject is shared by all members of the house.

Since I, too, have had the pleasure of serving in the British Columbia legislature, I was particularly interested in certain of the remarks made by the hon. member who has just resumed his seat. Having sat in the legislature with him for a number of years, let me say I find myself in agreement with many of the sentiments he has expressed regarding the lack of activity in our province when it comes to measures against pollution.

It is a paradox that a society which has witnessed such enormous advances in technology, science and health standards should witness at the same time a proliferation of pollution in all its forms. To a large degree, society seems to be frustrated by this problem. Waste of all kinds pollutes our air, our soil and our water. I note that the resolution makes no reference to soil pollution, though soil pollution can be extremely serious in its effects. We have experienced a serious case in British Columbia in recent years in the Grand Forks area, and I hope that if we do form a committee and if a major study is undertaken, soil pollution will be included in the terms of reference.

As our population grows and living standards rise, there will be more waste and more pollution. This situation must be dealt with. Those who are denied pure water, pure air and clean soil have little patience with the endless constitutional dialogue, important as that dialogue may be. They want pollution control and they do not want buckpassing. Surely a just society is, among other things, a society which does not penalize any of its citizens by obliging them to live in a polluted environment.

In years past little public attention was paid to pollution. The standard reply of many, given to those who did complain about it was: the smell of pollution is the smell of money. We know now that in economic terms alone, apart altogether from considerations of health and aesthetics, the money price has become too high. We know now that unsafe, unclean water, whether consumed directly or sprayed on crops, poses a serious health hazard. The same applies to the improper use of pesticides, or to polluted air. No one can condone air pollution which may cause chronic bronchitis or emphysema, or the pollution of water which may cause even more serious disabilities. As to air pollution, industrial smoke and dirt are the most obvious targets for control. But the jet age has brought new problems. People talk about building new jet-age airports, despite the fact that these are now considered by some authorities as likely to become a serious source of air pollution.

Proposed Committee on Pollution

The Montreal city health department in a report signed by Jean Manier, head of the air pollution division, said on February 15 of this year as reported in the Halifax *Chronicle-Herald* that motor vehicle exhaust gases could, under certain weather conditions, cause the carbon monoxide intake of the average city driver to rise to serious levels. It has become necessary to consider in this country the installation of exhaust devices of the kind made compulsory in California. The time to do so is now, preparatory to introducing legislation accordingly.

Air pollution caused by dirt recently short-circuited two 120,000 volt power lines in Montreal and was blamed by Hydro-Quebec as the major cause of the electricity blackout in Montreal east last March. In this one instance alone, the old simplistic excuse that the smell of pollution is the smell of money has been discredited utterly. Industry was, in this instance, penalized directly and in a dramatic way. Industry was hit right in the pocketbook, and so were the people of Canada.

In my home province our citizens have been affected by pollution, some tragically. One group of farmers in Grand Forks had a bitter experience of soil pollution. A few years ago they were advised by the federal Department of Agriculture to apply dieldim to the land to cure a potato disease. The farmers followed this advice but were later told the department had decided that dieldim was injurious to health. It found traces of dieldim in the milk produced by the cows that ate the potatoes. It caused economic tragedy for those farmers, and no one can measure the effect it might have had on the people who consumed those products. I would like to see the government take action this session to compensate those who are affected economically by this particular type of soil pollution.

• (5:40 p.m.)

We can all agree that the devil of pollution exists. The question is how best can that devil be exorcised. Control of pollution, water and air pollution, is a matter which falls partially within the constitutional powers of the federal government and partially within the powers of the provinces and their subsidiaries, the municipalities. All levels of government are becoming more active in the field. The result has been much confusion and duplicated effort.

It is encouraging to see conferences of the kind held in Victoria last week when resource ministers from all across Canada, provincial and federal, sat down together in a non-contentious, constructive conference to cope with the problems of pollution, unlike some conferences where there are differences of opinion and clashes of viewpoints. There is now concern at the federal, provincial and local levels of government that we must work together and achieve a workable framework within which pollution can be combatted.

I know there are other hon. members who wish to speak in this debate and so I shall keep my contribution short. I have here some of the background papers from the water workshop seminar held in Victoria at the beginning of last week. A very significant paper was presented to that conference by Dale Gibson, professor of the faculty of law at the University of Manitoba. His main thesis is that despite what people say about the constitution, that the constitut on prevents the federal government from taking certain action and prevents the provincial governments from taking certain action to fight pollution, and thus the problems land between the two of them, he believes that the constitution presents no insuperable obstacles to the creation of a more satisfactory scheme of water management and the maintenance of purity in water. He concludes:

> The administration of Canadian water resources will continue in the foreseeable future to involve a blend of federal and provincial activities, but there is no constitutional reason why it should continue to be hampered by the confusion and poor co-ordination that mark the present situation.

Excuses are no longer tolerable to the Canadian people. They know that if pollution is to be combatted we must have an adequate pollution control structure.

Local government is concerned about the disposal of garbage, sewage and industrial wastes and, in some cases, with the responsibility for the prevention of some forms of air pollution, usually smoke abatement. A recent survey by the Canadian Tax Foundation indicates that in general an appalling situation has been allowed to develop with regard to sewage treatment from coast to coast. A significant number of Canadians must still rely on septic tanks for sewage disposal, and too often the soil in which septic tanks are located is unsuitable for such installations. The survey also shows that most communities which have some form of treatment plant provide primary rather than secondary treatment. I find it intolerable that there should be any raw sewage whatsoever dumped in any

river in any part of Canada. Many municipalities would like to improve their disposal systems but they are frustrated by lack of money. There is another argument for a new sharing of revenues and responsibilities between the provinces and the federal government and between the provinces and local governments.

Time does not permit me to speak about the subject of detergents, and about the terrible effects which phosphates have had in many lakes in British Columbia and in other parts of Canada. Some hon. members may be interested to note that the pollution effect of effluent from a large sulphite pulp mill producing 500 tons per day may be equivalent to that of sewage from a city of two million people. Fortunately, many Canadian pulp mills are acting like good corporate citizens and are now installing equipment to fight pollution.

The problem is to achieve a sensible and safe balance, to establish tolerable pollution levels and standards in this country. We must find ways to minimize pollution while at the same time assuring a good level of industrial growth and expansion. The government is doing good work now in all parts of the country to meet the problem. Time does not permit a recitation of what is being done province by province. We have the Canada centre for inland waters, the national advisory committee on water resources research, and the continuing meetings of resource ministers, but suffice it to say that pollution control cannot be effective only at the municipal level, the provincial level or the federal level. All three levels of government must be concerned. The spirit of this resolution is an excellent one, Mr. Speaker.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the notice of motion under study proposes the creation of a 15-member committee of the house to which would be assigned the task of studying the problem of pollution.

In the few minutes I have left, I shall limit myself to a few brief remarks as we shall be given, at a later date, the opportunity to express all our views on this most important problem.

However, I am flabbergasted to see that the only solution the government can suggest is to study a problem which everyone knows about.

I have here, in my hand, the complete report on a study made by the National Pollution Conference. This report, published in four volumes, deals with all kinds of pollutions and proposes solutions to the problems. Now, if another house committee studies those problems, it must arrive at the same conclusions, because scientists have studied those problems for over four years.

As the government takes pleasure in advising us that it is anxious to introduce legislation, I feel that the mover of this notice of motion—even if he is filled with good intentions—should have proposed legislation capable of fighting pollution, for if we ask the committee to study the various problems of pollution during two or three years, we will then have wasted precious time.

• (5:50 p.m.)

In addition to air and water pollution, I feel that something should be said also about food pollution, the pollution of moral standards, money and politics, about which the Ralliement Créditiste has been talking for a long time.

But with regard to the matter under consideration, namely air and water pollution, I wish to tell the house about the recommendations I found in the information which I was given by the parliamentary library. I think it is backward to waste more time studying a problem known by all industrialists, merchants, municipalities and public bodies. The time for study is past, it is time to legislate. And if I take the floor today, it is to urge the house to legislate on an important problem.

In fact, statistics show that two infants out of ten—and Canada is no exception—die from the harmful effects of air or water pollution. I have here another publication which says that water is life. One knows that man can live for a while without clothing and shelter, but he dies very quickly from lack of food or water.

If you consider in particular the problem of water pollution, you find today that most of our lakes are polluted, as well as most of our rivers and beaches. Although it is a general and urgent problem the only suggestion made in this house is to conduct studies when legislation should be passed to implement the recommendations made by the national conference on pollution.

Mr. Speaker, the measure before us today is outdated, in view of the urgency of solutions which must be found, because this problem is very serious for human, animal and plant life, indeed any life on earth. If air and water are polluted, where shall we be in a

few years? When we look at statistics available to us, which we do not have time to quote in the house, we are astounded by the seriousness of the problem.

In my opinion, this notice of motion should be accepted, and I blame the government for not introducing legislation likely to settle this problem, which should not be considered any further but actually solved.

[*English*]

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, when I came to this house I had in mind one very important thing, and that was to work toward a solution of the pollution problem that affects the Okanagan Valley of British Columbia. Those who have travelled through that part of the country are aware of the beauty of the area and the tragedy that can befall such a beautiful place when pollution gets beyond the control of the normal agencies of the community. Although this is the situation, it is not so because the community has not done a great deal. It has done all in its power to control pollution in the area.

When I came to Ottawa I discovered that the federal government also had been doing a great deal about this problem. I am very pleased in respect of what the government at Ottawa has been doing. Many of the measures which have been taken by the government have been mentioned this afternoon such as the Canadian centre for the administration of waters in respect of which $23 million has been spent, and the regional pollution control centres in Moncton and Calgary. The federal government has offered to pay the full cost of regional assistance in this regard. It has also recommended the establishment of a national advisory committee. All these things were suggested and discussed at the conference on pollution that was conducted by the federal and provincial governments in the fall of 1966.

This conference produced some very admirable and useful recommendations. Above all, it was suggested that a national advisory committee should be set up on the problem of pollution. It was further suggested that this committee should be composed of representatives of the federal government, the provincial government, the universities and industry. The purpose of this committee would be to establish water quality standards in Canada. We do not know what pure water is; we do not have any laid-down standards concerning what is pure water or pure air. We know we must accept some limitation in respect of purity because of the inroads of civilization. But how much? This is something we do not know. The national advisory committee was asked to identify pollution problems in respect of their effect on the economy of the country. These are very worth-while and important objectives.

There are other things the federal government has done. It has offered to provide joint studies in respect of many of the problems related to pollution. We have an example before us with regard to the Ottawa river. The government has offered to bring together the governments of the provinces of Ontario and Quebec. Here again, however, very little or perhaps nothing has happened because the provincial governments have not agreed to act together on this matter. This has been the situation all down the line in respect of these recommendations. Time after time the problem has been one of a jurisdictional dispute among the municipal, provincial and federal governments.

This is a field in which the committee proposed by this resolution would have value. The committee would be a political organization which would have an opportunity to handle the problem at a political level. Many inquiries have been made and a great deal of work has been done by very capable public servants of the country both at the provincial and at the federal level. But the problem is a political problem which must be decided by people in public life. The advantage of this committee would be that it could inquire into the problems, interview witnesses, and discuss the actions that should be taken by both the provincial and federal governments.

The time has almost expired and as I am most anxious to see this resolution passed today I shall sit down so that the motion may be put.

Some hon. Members: Question.

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, I was very interested to hear the hon. member mention the problem of divided jurisdiction. I should like to bring to the attention of the house the fact that in the townsites of Banff and Jasper, which are entirely within federal jurisdiction, no provincial or municipal government has any authority whatsoever. Yet raw sewage is being dumped into the Athabasca and Bow Rivers. This underscores the fact that something

must be done to see that in areas which have been set aside specifically so that they will be preserved for future generations this type of pollution does not exist. Pollution does not occur only in large urban areas. It occurs equally in the remote areas where the rivers originate. Again this is an indication that there must be some new study of this very great problem. The resolution does not go far enough.

Mr. Deputy Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired. It being six o'clock this house now stands adjourned until 2.30 tomorrow afternoon.

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

HOUSE OF COMMONS

Thursday, December 12, 1968

The house met at 2:30 p.m.

HOUSE OF COMMONS

HUMBER-ST. GEORGE'S-ST. BARBE—CERTIFICATE UNDER CONTROVERTED ELECTIONS ACT

Mr. Speaker: I have the honour to inform the house that I have received from the Honourable Mr. Justice H. G. Puddester and the Honourable Mr. Justice A. S. Mifflin, both of the Supreme Court of Newfoundland, 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 Humber-St. George's-St. Barbe.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill No. C-131, an act to amend the Customs Tariff, as well as Bill No. S-18, an act respecting the Canadian Order of Foresters, to which the concurrence of this house is desired.

[*English*]

CANADIAN CONSTITUTION

INQUIRY AS TO PROPOSED NEW DATE FOR CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the government has been able to fix a new firm date for the federal-provincial constitutional conference which was originally scheduled for next week.

Right Hon. P.-E. Trudeau (Prime Minister): Since I answered the question yesterday I have had word from all except one of the provinces that they are accepting the idea of postponing the conference. There is fairly general agreement that the new date should be early in February. There is one province which still does not see its way clear to having the conference then, but I hope within the next 24 hours to find some suitable arrangement.

Mr. Stanfield: A supplementary question, Mr. Speaker. I wonder whether the Prime Minister or the Minister of Finance could indicate whether the federal-provincial meeting of finance ministers, which I think was scheduled to take place immediately following the constitutional conference, will continue as scheduled.

Hon. E. J. Benson (Minister of Finance): I have communicated with the various ministers of finance, and at present it appears that the conference of finance ministers will go on next week as scheduled.

Mr. David MacDonald (Egmont): May I ask a supplementary question. I wonder if the Prime Minister can inform the house whether the government plans to go ahead and publish the position papers that were to be produced tomorrow afternoon, in light of the importance of those documents and the chance of public discussion prior to the conference.

Mr. Trudeau: The suggestion has been considered, Mr. Speaker. We were asking ourselves what the best arrangement would be in view of the fact we only had a commitment from the provinces that they would have no objection to our publishing a few days before the conference. The conclusion we are forced to reach is that we will not be able to publish the position papers as planned at the end of this week; the date will have to be postponed to some other time agreeable to the parties concerned, provided the provinces themselves do not publish theirs until there is some agreement.

Mr. MacDonald (Egmont): A further supplementary question, Mr. Speaker. In view of the decision of the government not to publish, would it give consideration, perhaps along with the provinces, to have these documents published at least in sufficient time before the rescheduled date of the conference so there can be some useful public consideration and discussion of them?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, we are considering this. When a date has been agreed upon for the conference proper we will then raise the question of publication, somewhat in advance if possible.

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question to the Prime Minister, Mr. Speaker. In view of the postponement of the constitutional conference, does the government intend to delay the official languages bill until after the same has been discussed at the constitutional conference?

Mr. Trudeau: That is another complex question, Mr. Speaker. I too would like to be in a position to play Santa Claus and bring this bill in before Christmas, but some provinces did ask that the bill not be adopted before the constitutional conference. The new arrangement as to date would mean postponing it by at least a month.

I think what might be acceptable to parliament and to the provinces would be to consider introducing the bill and passing it through some of its stages in this house, though perhaps not adopting it officially on third reading until the constitutional conference has been held. I will explore this possibility.

POLLUTION

INQUIRY AS TO INITIATION OF CONTROL LEGISLATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Acting Minister of Energy, Mines and Resources during the minister's illness. In view of further emphasis on the need to make an organized beginning in the control of pollution, what progress has been made by the Department of Energy, Mines and Resources and, as far as the minister knows, the department of health and welfare in getting pollution control legislation initiated?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): Mr. Speaker, we are looking forward to the introduction of the Canada waters act. Last week I spent two days in Victoria meeting with the provincial ministers and our respective officials responsible for water. We made some progress at that time in the discussion of approaches. More specifically, the multi-jurisdictional approach to pollution problems is getting more and more accepted by the provinces. The regional approach is also becoming more and more

accepted. I told the ministers that when we introduce the water act we would bring them together for a full debate on that particular bill.

Mr. Lewis: A supplementary question, Mr. Speaker. If I may just briefly introduce my question, last May, I think it was, a suggestion was made to the house when the minister was minister of energy, mines and resources, to the effect that an advisory council on water and air pollution would be established. May I ask whether any progress has been made in this direction.

Mr. Pepin: No, Mr. Speaker. This is still one of the subjects that we are discussing with the provinces. My hon. friend is quite aware that not all provinces agree with us or among themselves on these subjects. I agree it is a slow process, but we have been working for a number of months toward building a consensus on these matters, and I think we have made some progress. By the time we bring in the water act we will be much closer, I think, to a consensus on these questions than would have been the case had we introduced the act last year.

Mr. Lewis: Mr. Speaker, I have another question arising out of the minister's answer. Would he be good enough to inform the house whether these discussions are being carried on intermittently between ministers, or is there a permanent committee of officials representing federal and provincial governments that is entering into a discussion of all these areas?

Mr. Pepin: Mr. Speaker, discussions have obviously been going on among ministers on these subjects. The federal interdepartmental committees have also been at work here. The co-ordination between federal and provincial governments in this matter is generally undertaken through the council of resource ministers.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce.

Since those negotiations have been going on for quite some time, does the minister feel that he will be in a position to introduce in the house in 1969 legislation on water pollution, because we feel that the matter is urgent.

Mr. Pepin: Mr. Speaker, this measure is advocated in the speech from the throne.

[*English*]

Mr. P. B. Rynard (Simcoe North): A supplementary question, Mr. Speaker. While he is looking into some of the problems that have been raised would the minister also look into a statement that has been made alleging that the federal fisheries department is polluting 56 small lakes and 17 watersheds in northern Ontario?

Mr. Pepin: Mr. Speaker, we are trying to divide responsibilities in these matters. The federal government cannot be held responsible for the pollution of every creek in Canada.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the Minister of Finance, which stems from the government's decision to give up winter works.

Could the minister tell the house whether the government, in conjunction with the provinces, intends to grant subsidies to municipalities wishing to build sewage disposal plants?

Mr. Pepin: Mr. Speaker, the answer to this question is very simple. The Central Mortgage and Housing Corporation already grants loans to municipalities for that purpose.

Mr. Laprise: Mr. Speaker, I should like to put a supplementary question to the minister.

Does the government intend to ask the Central Mortgage and Housing Corporation to increase the borrowing privileges of municipalities?

Mr. Pepin: Mr. Speaker, this is a matter of general government policy, and of government responsibility for distributing the resources as equitably as possible between the various departments and various interests.

[*English*]

GRAIN

ASSISTANCE IN MOVING OF DRYING EQUIPMENT

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture. In view of the meetings which have been held since I last asked a question about the matter will the minister say what part the federal government is now prepared to play in moving grain drying equipment from Ontario to western Canada to help the situation there?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the departments of agriculture of each of the three prairie provinces have held meetings with the grain industry—that is, with the elevator companies, producer organizations and anyone else vitally and directly interested in this problem—and have ascertained that in each of the affected areas there appears to be sufficient grain drying equipment in place now. It is a matter of making the maximum use of this equipment by coordinating activities so that grain dryers are in fact used in those areas where there is the greatest amount of tough and damp grain. The members of the Board of Grain Commissioners have also been attending all these meetings and I expect a report very soon to see if there are any further steps we can take to be of help.

Mr. McKinley: A supplementary question, Mr. Speaker. Will the Minister of Agriculture indicate why members of the wheat board did not appear before the standing committee on agriculture during discussion of the estimates, as had originally been intended?

Mr. Olson: Mr. Speaker, I have no way, any more than the hon. member has, of knowing why the standing committee on agriculture did not call certain witnesses.

Mr. S. J. Korchinski (Mackenzie): A supplementary question, Mr. Speaker. Has the Minister of Agriculture any information with regard to the Board of Grain Commissioners allowing grain dryers to operate at country elevators, as of today?

Mr. Olson: Mr. Speaker, this is another matter that has been considered during the committee meetings. As I have said, I expect a report on the last of these meetings very soon.

Mr. Les Benjamin (Regina-Lake Centre): Would the minister advise the house whether the government has any intention of proceeding to expand grain drying facilities at government terminals, particularly inland terminals?

Mr. Olson: There are one or two places, and perhaps Moose Jaw is one of them, where we could make use of more grain drying facilities at this time. However, there is a

question whether such equipment could be ordered and installed quickly enough to be useful this year. The other suggestion is that some smaller or portable drying facilities could be used at some of the terminals, and this is under consideration now.

Mr. Benjamin: Could the minister advise the house whether the dryer at the Lethbridge terminal is in operation?

Mr. Olson: The dryer at Lethbridge has not been used for a very long time. I am advised it is a very low volume dryer and so old that it would be very difficult to make it operational. The reason is that there is very little tough or damp grain in that area, and any which might be there would have to be shipped out of line, adding substantially to the cost.

Mr. George Muir (Lisgar): In view of the fact that there has been very little improvement in the supply of box cars to the areas of tough and damp grain in Manitoba, would the minister look into this situation to determine whether it can be corrected?

Mr. Olson: Yes, Mr. Speaker, although I would not like to agree with the preamble that there had been very little improvement, because there has been improvement in all areas.

LABOUR CONDITIONS

IMPLEMENTATION OF RECOMMENDATIONS OF FREEDMAN REPORT

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): My question is directed to the Minister of Labour. Speaking in this house on November 21 the minister said:

> I think the time has come for the Minister of Labour to convince his colleagues that legislation defining and emphasizing management's responsibilities to its employees in the area of technological change is long overdue.

He was referring to the Freedman report. My question is, has the hon. gentleman since been able to convince his colleagues that legislation based on the substance of the Freedman report is long overdue, and how soon can we expect to see legislation of this kind on the order paper?

Mr. Speaker: Order, please.

Mr. Hees: May I have a reply?

Mr. Speaker: I suggest to the hon. member that the question as asked is not in order. He is referring to communications between cabinet ministers, and I do not think a question of that type can be accepted.

Mr. Hees: May I rephrase my question. The reason I gave the background information is that I find these ministers require a great deal more background information than is normal before they are able to give answers to questions.

Mr. Speaker: Order. Would the hon. member ask the question now?

Mr. Hees: With pleasure. May I ask the minister whether in the near future, on motions, he will give a report as to the likelihood or otherwise of the government introducing such legislation?

Hon. Bryce S. Mackasey (Minister of Labour): If the hon. member can persuade me that he is able to convince his colleagues as rapidly as I am able to convince mine, this desirable legislation will have a rapid passage through this house.

Some hon. Members: Hear, hear.

Mr. Hees: If the minister does introduce such legislation I think he will find that members on this side of the house are very much in agreement with such a course.

TRANSPORT

REQUEST FOR STATEMENT ON SEAWAY EXPANSION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Transport, and since this is one of the many days on which he is not present I will direct it to his stand-in, the Minister without Portfolio from Winnipeg. Can the minister tell the house the current status of the St. Lawrence Seaway expansion plan, which the seaway authority presented to the cabinet some little time ago?

Mr. Speaker: I would think what the hon. member is asking the minister to do now is to give the kind of general information which should normally be given by way of a statement on motions.

Mr. Nesbitt: Well, as a supplementary question.

Mr. Speaker: Order, please.

Mr. Nesbitt: Would the minister—

Mr. Speaker: Order, please. There cannot be a supplementary—

Mr. Nesbitt: Well—

Mr. Speaker: Would the hon. member resume his seat? There cannot be a supplementary to a question which has been ruled out of order. The hon. member may wish to ask a related question.

Mr. Nesbitt: On a point of order, since Your Honour has been so kind to point out how the same thing can be accomplished, would the minister care to make a statement on motions the next day he is in the house, tomorrow or Wednesday next?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I will convey that request to the Minister of Transport.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister with respect to the absence of the Minister of Transport. Will the Prime Minister assure the house that he will cause the minister to make up this time he has missed, dock his pay, keep him in after school, or do something?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. That cannot be accepted as a supplementary question.

AIR CANADA

REPORTED SETTLEMENT OF DISPUTE WITH EMPLOYEES ASSOCIATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister in a position to confirm reports that the dispute between Air Canada and the air line employees' association has been settled?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I understand that some time during the middle of the night the representatives of Air Canada and the representatives of the particular union concerned reached an agreement that is now, of course, subject to ratification by the union members and by Air Canada. I am very appreciative of the hon. member's reference to this question, and I particularly hope both parties may very soon ratify what I think is a very fair agreement.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

CHURCHILL, MAN.—NEGOTIATIONS ON DEVELOPMENT OF TOWN SITE

On the orders of the day:

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. Some time ago he indicated to the house that he had been in communication with the premier of Manitoba about possible federal assistance to the town of Churchill. I wonder whether he has anything he will be able to tell us soon on this subject, as Christmas and the recess are coming up? Have there been any results from this communication?

Mr. Speaker: Order, please. I am sure the hon. member knows that the information he is seeking now would normally be given by a statement on motions, but if there is urgency and the hon. member wants to give notice to the Chair the matter can be discussed at the time of adjournment.

IMMIGRATION

REQUEST FOR RETRIAL OF DEPORTATION ORDER AGAINST POLISH SEAMEN

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. It concerns the case of the nine Polish seamen now in detention at Halifax who have been ordered deported back to Poland. Will the minister instruct the legal counsel representing him to recommend or agree to a retrial of this particular case?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the case has been heard by the immigration appeal board. As I understand it, the board itself can determine to hear the case again if there is a claim of additional facts to be brought out, and of course there is appeal to the Supreme Court of Canada. But the minister, under the law, has no discretion whatever to intervene in this particular case.

Mr. Forrestall: Mr. Speaker, may I pose a supplementary question, and perhaps it should be directed to the Prime Minister. Is it still the policy of the government, as stated in this house by the former prime minister on April 21, 1967, that the government will grant refuge to people from communist countries whose deportation there would certainly mean imprisonment and deprivation?

Inquiries of the Ministry

Mr. MacEachen: Yes, Mr. Speaker, that is the policy. In this case presumably the immigration appeal board concluded there was no danger of persecution with respect to these seamen, but the board itself would hear evidence on this point before reaching a conclusion.

Mr. Stanley Haidasz (Parkdale): As a supplementary question, Mr. Speaker, has the Minister of Manpower and Immigration any evidence that no harm or hardship will be done these men if they are deported to their country of origin?

Mr. MacEachen: Mr. Speaker, the decision was made by the immigration appeal board and presumably the board itself considered all the facts before reaching a decision.

Hon. George Hees (Prince Edward-Hastings): In his answer the minister said that presumably the board considered all these matters. Will he check into the matter with the chairman of the board and report back to the house tomorrow?

Mr. Forrestall: Would the minister ensure that the actions taken by counsel on his behalf do reflect the continuance of the policy of granting refuge in Canada to people.

Mr. MacEachen: Yes. I am sure the policy is still being observed in the department.

Mr. Hees: Mr. Speaker, may I ask my supplementary again?

Mr. Speaker: Order. The hon. member is making a representation to the minister.

EXTERNAL AFFAIRS

NIGERIA—PROPOSED INTERNATIONAL EMBARGO ON ARMS SHIPMENTS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the urgent appeal by the Archbishop of Canterbury at Westminster to the government of the United Kingdom to join in establishing an international embargo on the shipment of arms to either side in the Nigerian-Biafran dispute, I should like to ask the minister whether the Canadian government will make or renew—I am not sure which is appropriate—its representations to a like effect.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Fortunately, of course, Canada is not supplying any arms in this conflict. Both the Prime Minister and I on a number of occasions have expressed our desire that no arms should be shipped to Nigeria from any source. This continues to be the position of the Canadian government.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Roch La Salle (Joliette): Mr. Speaker, can the right hon. Prime Minister tell the house whether or not he has received an official request from the Canadian Mayors Association for financial aid to municipal works?

Right Hon. P.-E. Trudeau (Prime Minister): I am not aware of any such request having reached my office, Mr. Speaker, but I shall certainly inquire.

CANADIAN BROADCASTING CORPORATION

COVERAGE OF THE FORTHCOMING POLITICAL CONGRESS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, my question is directed to the hon. Secretary of State.

Is he aware of the policy or attitude of the Canadian Broadcasting Corporation concerning the coverage of the mini-convention of a certain party which is to be held in Montreal during the week-end?

Mr. Speaker: I have the impression that the question as worded is out of order. If it is really urgent, the hon. member could discuss it at time of adjournment tonight.

Mr. Fortin: May I rephrase my question, Mr. Speaker?

Can the Secretary of State assure us that the Canadian Broadcasting Corporation will send at least 100 journalists to cover this mini-convention?

Mr. Speaker: Order. This question is even less acceptable.

[*English*]

INQUIRY AS TO STATUS OF DISPUTE WITH TECHNICIANS

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for

the Minister of Labour. Would the minister advise the house whether he has any news in respect of progress in the labour dispute between the C.B.C. and NABET.

Hon. Bryce S. Mackasey (Minister of Labour): This morning I received the report of that particular conciliation board. I might point out that it was a unanimous report accepted by the representatives of the union, of the C.B.C. and the judge. I have released it by registered mail today. I shall release it to the press around 3.30, and hope it will be ratified very shortly by the interested parties.

CONSUMER AFFAIRS

REQUEST FOR INQUIRY INTO COST OF AUTOMOBILE REPAIRS

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs whether his department would consider initiating in this country an investigation similar to the one now being carried on in the United States by the United States Senate with regard to the alleged high prices and low quality of car repairs.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, like the hon. member we are aware of the inquiry which is going on in the United States Senate at the moment. We will obtain a copy of the evidence placed before that inquiry so we may judge its appropriateness to Canadian conditions. We are also aware that the legislative assembly in the province of Ontario may be starting the kind of an inquiry the hon. member suggests. Therefore, in the light of that we have to consider our own position here.

UNEMPLOYMENT INSURANCE COMMISSION

REPORTED NOTICE TO EMPLOYEES OF TERMINATION OF EMPLOYMENT

On the orders of the day:

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, my question is for the Minister of Labour, arising from the proposed three months' notice of termination of employment given a number of permanent U.I.C. employees in Vancouver and other parts of the country. Could the minister advise whether it now is government policy to lay off permanent civil servants and replace them with casual help?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, you will realize that this is a loaded question. It is not and never was government policy. Anyone who is to be laid off by the Unemployment Insurance Commission will be given at least six months' notice as long as I am minister.

Mr. MacEwan: Will the minister advise whether a number of permanent civil servants are being laid off in the U.I.C. offices in Vancouver and in other areas of the country?

Mr. Mackasey: In order to get an honest answer from me the hon. member will have to be honest about the number he is talking about.

Mr. MacEwan: Answer the question.

Mr. Mackasey: The hon. gentleman opposite asked a question and I wish to answer it honestly. Over the next year there definitely will be a number of lay-offs in the Unemployment Insurance Commission. As all hon. members know, the Unemployment Insurance Commission has a degree of autonomy. The principle of the present commissioners, with which we cannot argue, is to render the best service with the least number of permanent employees. This is the policy; but the principal policy is service to the people. I understand that had they introduced these changes without prior consultation with the workers, 600 people would have been laid off. At the present time we have succeeded through negotiations with the unions to keep the projected number down to 75. Those 75 will be given official notice probably six months in advance so they can exert certain rights that are theirs under the Public Service Act.

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Transport I should like to direct a question to the Minister without Portfolio. Has the Minister of Transport to date received any communication from the government of Ontario with regard to the expansion of Toronto international airport, as an outcome of the recent meeting between the local municipal officials and the members of the government of Ontario?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, the government of

Ontario has been closely in touch with the department and with the minister throughout recent days and weeks and the Minister of Transport today is in Toronto on this matter.

Mr. Stanfield: Will the minister give the house the position of the government of Canada with regard to the contention of the representatives of the municipalities concerned that the expropriation in question would violate the Ontario planning act? Is the position of the government of Canada that the expropriation actions are not subject to the provincial statute; is this the position?

Mr. Speaker: Order, please. I am suspicious that what the Leader of the Opposition is suggesting now is that the minister be asked to give an interpretation of a legal position, although I may be wrong.

Mr. Stanfield: With respect, Mr. Speaker, I am merely asking the minister what is the position taken by the government of Canada with regard to this matter.

Mr. Richardson: Mr. Speaker, the representations of the municipalities have been borne in mind very carefully. I believe the final result will reflect the concern that has been expressed by some of the municipalities.

Mr. Stanfield: Has the government of Canada taken a position with regard to the effect of the Ontario legislation on the position of the government of Canada with regard to expropriation?

Mr. Trudeau: That is out of order.

Mr. A. D. Hales (Wellington): I rise on a question of privilege, Mr. Speaker. The minister has just stated that the Minister of Transport is in Toronto. I would advise him that I saw the minister get on the elevator as I came into the house.

Mr. Speaker: The Chair will take the question of privilege under advisement.

FINANCE

PROPOSED POLICY CHANGE RESPECTING EXCHANGE RATES

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Finance. Is the minister taking into consideration the recommendation of the former assistant deputy minister of finance, Mr. Plumptre, for the introduction of a crawling-peg exchange rate to alleviate the problems in respect of the international monetary system?

Mr. Speaker: It seems to me the question is very like one which was asked yesterday, about which I had some doubts. I have the same doubts today.

Mr. Burton: Mr. Speaker, in view of the fact that Mr. Plumptre's recommendations, which are mentioned in my question, were made since the matter was last raised in the house, I suggest this would be a relevant item and that it would be proper for the minister to comment on it at the present time.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the government has no intention of changing its present policy in respect of exchange rates.

Mr. Burton: Mr. Speaker, will the Minister of Finance consider referring the entire matter of Canadian international monetary policy to the standing committee on finance, trade and economic affairs for further study?

Mr. Benson: I will consider it, Mr. Speaker.

HOUSE OF COMMONS

PRESENCE OF PERSONS IN GALLERY NOTING OPPOSITION ATTENDANCE

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. Woolliams: Yes, Mr. Speaker, and it is a very serious point of order. I have observed two strongmen sitting in the gallery taking the attendance of the official opposition for a number of days. They work in the house leader's office, and I was wondering why. This is something that should be taken into consideration by the protective staff. They are smiling now. The protective staff should make an examination to find out why they are there and what is their purpose. I know of no rule that the attendance in this house should be taken by two strongmen from the house leader's office.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

An hon. Member: The Gestapo.

Some hon. Members: Out, out.

An hon. Member: Send the Hitler group home.

Mr. Speaker: Order, please.

Some hon. Members: Out, out.

Mr. Speaker: Order, please.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Your attention has been drawn to the presence of certain strangers in the gallery.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I wonder, therefore, whether Your Honour would consider your duty under standing order 13, which reads:

If any member takes notice that strangers are present, Mr. Speaker, or the chairman (as the case may be), shall forthwith put the question that strangers be ordered to withdraw, without permitting any debate or amendment; provided that Mr. Speaker, or the chairman, may, whenever he thinks proper, order the withdrawal of strangers.

This has been brought to your attention.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre will realize that this is not the motion or the point of order raised by the hon. member. The hon. member referred to the fact that notes were being taken. He assumes that a certain type of notes are being taken. Of course the Chair has no information as to what is being done.

I think I should bring to the attention of hon. members that since last year, there having been an overflow of officials in the official gallery—and this has been the case for some time—following negotiations with the Chair by members of the press gallery, it was agreed that the press gallery would be kept exclusively for members of the press and that part of the diplomatic gallery, that is the part to the west, would be assigned to the overflow of members in the official gallery. This is why officials are using that particular gallery.

As hon. members know it has been the practice for officials in the official gallery to have the right to take notes. This point which was raised by the hon. member, as I understand it, is not a point of order. If the hon. member points to the strangers in the gallery then this is a different matter, and I have to give effect to the suggestion made by the hon. member for Winnipeg North Centre. Perhaps someone wants to make that proposal.

Mr. Woolliams: Thank you very much for clearing up this matter, Mr. Speaker. I should have thought the house leader would also clear it up. I have seen these two, and they are smiling again now—

Some hon. Members: Oh, oh.

Mr. Woolliams: They are sitting there by the translator and I know exactly—

Some hon. Members: Order.

Mr. Woolliams: I can stand and wait for silence. I know exactly what they are doing. They are taking the attendance. I have seen them using the list of the House of Commons, looking down and marking off the names. Let them stand and deny that. I should like the protective staff now to examine these men and find what these documents contain. If they are doing exactly what I suggest in my point of order and taking the attendance, then this is against the rules of this house. This is another part of this dictatorship on the part of this government.

Some hon. Members: Hear, hear.

Mr. Woolliams: The house leader is the dictator, and he is showing that now by using these strongarm men.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I must say I am surprised that the hon. member is so sensitive about the question of attendance. I am sure all of us would greatly miss him if he were not in the house. It does not seem to me he has indicated any particular rule which is being violated. As Your Honour has indicated, it is the custom for officials to have the right to make notes. It seems to me it is of little relevance what the subject matter of those notes is.

Some hon. Members: Oh, Oh.

Mr. Speaker: May we have order, please? The President of the Privy Council I understand is speaking to the point of order raised by the hon. member for Winnipeg North Centre, and I think perhaps I should be given the opportunity to hear him out.

Mr. Macdonald (Rosedale): Thank you, Mr. Speaker; and it seems—

An hon. Member: Didn't you have your shower this morning?

Mr. Macdonald (Rosedale): I did indeed, and I suppose the hon. member is disappointed because I did not invite him. Perhaps I could make it clear to the hon. member and the Leader of the Opposition that I do not

intend to invite him or his colleagues into my shower. They will have to find their own.

[*Translation*]

Mr. Speaker: Does the hon. member for Lotbinière wish to speak on the point of order.

Mr. André Fortin (Lotbinière): Yes, Mr. Speaker.

I would like to point out, with due respect, that when the guests of the members are in the galleries, they are not authorized to read or to make notes, as they are liable to be expelled from the house. In my opinion, the same rule should apply to all officials who are in fact intruders in the house.

Mr. Speaker: Order. I must remind to the hon. member that usage of long standing allows the officials to sit in the special gallery and to make notes.

[*English*]

The point of order raised by the hon. member for Calgary North is of interest, but the only way I could act would be if, under standing order 13, the hon. member asked that certain specific strangers be excluded.

Mr. Woolliams: I don't know their names.

Mr. Speaker: I assume he does not want the entire gallery emptied.

If the hon. member wants me to put the question to the house and ask that the house be called upon to resolve the matter and decide whether one, two or three persons in the gallery be expelled, I will hear him and according to standing order 13, as suggested by the hon. member for Winnipeg North Centre, I will have no hesitation at all in putting the question to the house.

Mr. Woolliams: Mr. Speaker, I do not know the names of these two strangers, but I can describe them for you. I am sure you will recognize them and I believe they will now leave of their own accord. They are sitting beside the translation box. They are two men in dark suits, one with long sideburns—

Some hon. Members: Oh, oh.

Mr. Woolliams: The other fellow is in a dark suit. I think they should be removed, and according to the standing order to which you referred I ask you to direct that those two gentlemen leave the gallery and keep it pure for the guests.

[Mr. Macdonald (Rosedale).]

Mr. Speaker: Order. I am not sure whether the description given by the hon. member would make it possible for me to put the motion to the house, because I would be called upon to repeat the description. However, I wonder whether the house would agree that in view of the fact that the question period expired some minutes ago, and that whoever these gentlemen are their work would normally be finished by this time and they will leave the gallery of their own accord together with their other colleagues, we might, for this day in any event, abandon the matter. If the situation arises again and there is cause for complaint, then the matter may be reconsidered.

I believe there are four or five points of order which hon. members wish to raise.

[*Later:*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a point of order. I ask Your Honour to give consideration, on behalf of members of parliament, to the matter that was raised in the previous question of privilege in connection with the keeping of a record of attendance of members in the house. It seems to me that a record of attendance is being taken in a very informal way which can be detrimental to members of parliament on all sides of the house. If this is going to be allowed I strongly urge Your Honour to give consideration to keeping a formal attendance record so there can be no abuse, as there was in the matter of quorums and the attendance of members in committees last year. I believe that record was used dishonestly. So I suggest that Your Honour give consideration to publishing a formal attendance record so that unfair use cannot be made of the absence of certain members on certain days.

Mr. Speaker: Perhaps the best way for the Chair to deal with the hon. member's suggestion is to advise him that I shall be pleased to take official note of it and bring it to the attention of the committee on procedure if and when it meets again.

Mr. Knowles (Winnipeg North Centre): It certainly will.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I rise on a point of order. If what you suggested is done, would you also ask the members of the committee to consider as well the fact that the opposition draws attention to the absence of ministers on this side.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, on the question of privilege, is the Prime Minister trying to suggest that he wishes to ask questions of the opposition every day?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I also rise on this question of privilege. I wish to draw to Your Honour's attention the fact that in the past there has always been pressure for the presence of government officials in the gallery. This was also the case when I occupied your position. However, after a count of the number of seats available in the official gallery, it was soon concluded that unless ministers wanted to be followed by a legion of officials there was ample room for every ministry to be represented by one or two officials, and there was no need to invade the gallery for distinguished persons by what we might call today the ministerial mafia.

Mr. Speaker: Order, please. I suggest there is no point in pursuing the point raised by the hon. member for Timiskaming. Certainly there is some importance in the point he has raised. However, at the same time hon. members know it is not for the Speaker to change the rules of the house. I am sure notice has been taken of the suggestion by the hon. member for Timiskaming and by other hon. members who have spoken after he brought this point to the attention of the house. I can only repeat that I will consider it my duty to bring to the attention of the committee in due course the hon. member's view that an official record of attendance in the House of Commons be inaugurated.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I rise on a question of privilege.

I wish to confess that I counted the number of Conservative members present on Tuesday night, during half an hour. There was not one in the house.

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, I merely want to raise an additional point on this question of privilege. While you have made it quite clear that it has been the custom for officials in the gallery to make notes necessary to properly fulfil their duties, in my view specific notes regarding the attendance or otherwise of any members of this house are quite contrary to their responsibility as employees of the public service. Further, I suggest that this would create a serious precedent in that it would constitute a form of coercion. I think we have always held it to be one of the marks of this house that no form of coercion exists here whereby any member of the house is placed under undue pressure. I suggest, sir, that through your office it be ascertained that no public official attempts by his activities in the gallery to carry out such activities as might encroach on the full freedom that is possessed by the members of this house.

Mr. John Lundrigan (Gander-Twillingate): Perhaps, Mr. Speaker, I draw your attention to the fact that there are a number of vacant seats in the official gallery, and perhaps this nullifies one remark made earlier. My second point refers to the right hon. Prime Minister's statement regarding the presence of ministers in the house. I want to make it clear that we have not been objecting to the presence of ministers in the house but rather to their absence, and I think he has misrepresented the point. Further, Mr. Speaker—

Mr. Speaker: Order, please. I suggest to hon. members that the debate we are having now is not very constructive.

Some hon. Members: Hear, hear.

Mr. Lundrigan: Mr. Speaker, I will resume my seat with the final remark that I think perhaps we should take cognizance of the point that the Minister of Manpower and Immigration is possibly trying to ease the unemployment situation through the presence of these strongmen in the gallery.

BUSINESS OF THE HOUSE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in view of the fact that the question period has expired, may I ask whether the house leader would be entitled to rise to his feet and tell us what will be the business for next week.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, we propose to continue the debate on the two motions to concur in the reports of the procedure committee until debate on them has been completed. The remaining item of business for this part of the session would be the ways and means resolution preceding the anti-dumping bill, and all stages of the anti-dumping bill itself.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a supplementary question for the house leader in reference to a matter discussed last week. May I ask whether

arrangements have been made to have the annual report of the Post Office Department referred to the transport and communications committee.

Mr. Macdonald (Rosedale): Mr. Speaker, the question was much discussed and it was suggested that that subject matter, along with three others which I had proposed to hon. gentlemen opposite as being appropriate matters for reference, could be referred to the committee. I am still waiting to hear from hon. members opposite in this regard. I am not sure exactly what the situation of that reference would be in relation to the terms of reference of the privileges and elections committee, but I will be glad to discuss it.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO STATUS OF DISPUTE WITH TECHNICIANS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, you will recall that just prior to the time we got into the hassle about strangers in the gallery, you recognized me. In view of the fact that I have an urgent question, I wonder whether you would allow me to put this question at this time, Mr. Speaker.

Mr. Speaker: There is no objection whatsoever from the Chair.

Mr. Alexander: Thank you, Mr. Speaker. I have a question for the Secretary of State. It is an urgent one, and I believe he has notice of it. I wish to ask him if an agreement has been reached between the negotiators for the C.B.C. and the National Association of Broadcast Employees and Technicians, thereby averting a nation-wide shutdown of television and radio services.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this question was asked and my colleague, the Minister of Labour, answered it a few minutes ago. I have nothing to add.

• (3:30 p.m.)

[*English*]

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed, from Wednesday, December 11, consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in, and the amendment thereto of Mr. Stanfield (p. 3762).

Mr. Steven Otto (York East): At five o'clock yesterday, Mr. Speaker, I was dealing with the new orders as they relate to the work load of committees. I pointed out, and I point out again, that no one can deny that under the present rules estimates have never been given serious scrutiny. In the consideration of estimates members could refer to anything under the sun, and they did. The estimates were passed, and the only objection a member on the government side could take was by voting against an estimate, which would amount to a vote of confidence.

The Prime Minister (Mr. Trudeau) has said that the purpose of the new rules is to have the estimates scrutinized in committees so that this can be done without a vote of confidence being involved. It is true that party pressure will be brought to bear and discipline will be applied in order to make sure that hon. members on this side will pass the estimates in accordance with the wishes of the ministers. However, if a matter is sufficiently serious and if enough members in a committee decide to oppose it, under the new rules they can, with the co-operation of the opposition, reduce an estimate and thereby embarrass the ministers. In this way members can make their power felt. In this respect I should like to bring to the attention of the house the new standing order 65(4)(b) which reads as follows:

> Changes in the membership of any standing, joint or special committee may be effected by a notification thereof, signed by the member acting as the chief government whip, being filed with the Clerk of the house who shall cause the same to be printed in the *Votes and Proceedings* of the house of that sitting, or of the next sitting thereafter, as the case may be.

In other words, Mr. Speaker, we have now introduced into the rules not only the idea that there is an opposition side but that there is a government side. Formerly, we were all hon. gentlemen. I think it is about time we did this. In addition, we have introduced into the rules certain rights for the opposition to bring up certain estimates or reports as they see fit. This particular rule introduces something else, and that is party discipline. In effect, what it does is this: it says to the government whip, do not worry about members who may cause you some annoyance in a committee because all you have to do is file a notice of change, take him off that committee and put on somebody else who is more co-operative. This applies to the

whips on both sides, government and opposition. They now have the right under the rules to effect party discipline, which was always the right of the leader of the party in caucus.

I have said before that the backbenchers have no power at all, but at least when a bill was being considered clause by clause in committee of the whole a member on this side could take issue with any of the clauses and thereby express disappointment or antagonism with regard to certain matters in the bill, in accordance with the feelings of his constituents. The member might not vote against the bill; very few members on this side have ever voted against a government bill, but at least the member had the right to express his opposition to any clause in committee of the whole. Now he does not have that right because the minute he opposes any part of a bill the whip will take him off that committee and put on somebody else. The member will have no recourse at all. He cannot have recourse to you, Mr. Speaker, so he cannot appeal. In other words, this is an arbitrary action affecting party discipline in the House of Commons and I wonder whether this house will accept a rule that goes that far.

What I have to say does not apply to the present leader of the house. I say this in all seriousness. The house leader and I have had many disagreements on these various items. We have argued this out and he knows where I stand. He has been fair at all times. Indeed, he knew exactly what I was going to say today but he made no attempt whatever to keep me off the list. Therefore, these remarks do not apply to the present house leader. I do not believe they apply to any other minister. However, the time will come when, in order to satisfy officials who are being examined in committee, a minister may speak to the whip or house leader, indicating he would like a certain member removed from a committee.

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

Mr. Otto: Yes.

Mr. Baldwin: I note the hon. member's speech with approval. At this point could he say whether he approves a statement made in an article written by the Prime Minister in 1963 in *Cité Libre*, when he was expressing his views about party discipline and particularly in the party opposite?

Mr. Otto: I regret that I am not familiar with the article to which the hon. member refers, but I am questioning now the statement the Prime Minister made that much more attention ought to be given to individual rights. I am sure this must apply to the rules.

Mr. Stanfield: And even to members.

Mr. Otto: Let me put the other side of the question because nothing is one-sided. Perhaps I may be the devil's advocate for a moment. It is true also that the government must maintain attendance in these committees; they must make sure the committees are attended. I am sure hon. gentlemen recognize that if some members continually fail to appear in these committees there must be some method of removing them or substituting other members for them.

I regret that the house leader is not here at the moment because I should like to suggest to him that rule 65(4)(b) should be amended. The rule should provide that when a committee is sitting and all the members are not in attendance, the whips may appoint or authorize the chairman to appoint any other member of the house who may be present at that committee to be a member of the committee for that sitting. When there is a lack of government members to pass a bill or to pass a section of a bill or estimates, I can see that we are not going to allow a vote to be registered against the government. Therefore, it will be merely a matter of whips getting enough members to make sure the government is supported. These members would be entitled to vote at that meeting, but the minute the meeting is over a member who may have taken issue with a certain part of a bill will still be a member of that committee with his rights completely vested in him. I should like to make that serious recommendation to the house leader because this rule introduces party discipline as part of the rules of this house and, party discipline has no place in the rules. It is a matter between the caucus and the leader.

• (3:40 p.m.)

Mr. Lambert (Edmonton West): Ask your Prime Minister about that.

Mr. Otto: I have asked my Prime Minister about it and I am hoping he agrees with me. In fact, we have discussed it at some length. Therefore I seriously suggest that the house leader make the change I have suggested, because it would satisfy the government and also take this question out of the house.

In conclusion, may I say I am in favour of all of the rules changes. I am not afraid of

changing the structure of the House of Commons. I think all members recognize that there are going to be vast changes both in government and in the House of Commons. However, as I said yesterday, there is nothing sanctimonious about us. We will be replaced by a different breed of career M.P.'s A lot of policy decisions are going to be made by constituents through the regional desks, and I am certain they will be very beneficial.

Mr. Orlikow: Tell us about the regional desks.

Mr. Otto: You can read about them. My point is that there has to be change. Hon. gentlemen who have been here for 20, 15 or in some cases for even 10 years must recognize that there is nothing sacred about the rules that they know so well. It is always difficult for the older members who are experienced in the application of certain rules to accept new ones, because they are experts on the old rules but not on the new ones.

I welcome these changes. The sooner we make this house a house of legislation and not merely a house for debate, the better. All of these changes work toward that end. This house will be able to deal with more legislation. We will have eight or nine months for debate, longer than is the case now. We can debate all issues. The opposition parties will be able to bring forward those subjects they want to debate but which they are unable to debate now. The only thing lacking will be power to harass and to delay. The people of Canada do not want the opposition to filibuster or delay; they want them to contribute in an effective way. This they will be able to do under the new rules in the committees provided the committees are given some real strength.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, like other members who have taken part in this debate I am pleased to have this opportunity as a member of parliament to speak on parliamentary reform.

As the last speaker said, I do not think that anybody would argue, at least not on this side of the house, about our being in favour of reform. The Conservatives believe in parliamentary reform. We believe in reform now and not tomorrow. Why do I say this, Mr. Speaker? Because members of our party, together with other members of the opposition and members of the government, have for a number of years worked together harmoniously as members of special committees on reform, initially established under a former Speaker, the hon. Alan Macnaughton, and then later under you, sir. Finally, the special committee on procedure was established to formulate a set of rules that would make parliament more effective in this new age that demands that decisions be made with compelling haste.

The first point I want to make is that all members agree with reform. The members of this party agree with all the rules that have been brought in by the special committee on procedure with the exception of two recommendations. Members of other parties agree with them all with the exception of just two points or perhaps one. So as I say that we are all in favour of reform, with the exceptions I have mentioned.

I should like to point out that if the government in all its wisdom were to compromise on those two recommendations the report presented by the hon. member for Grenville-Carleton (Mr. Blair), the chairman of the special committee, would be approved at this moment and we could get on with the country's business. As I have said, there is no argument that the members of this party agree with the reforms presented in the report with the exception of two.

I suggest that no party alone can declare that it is the party of reform because, as I said at the beginning of my remarks and as I shall repeat often, there has been a harmonious working arrangement toward this end on the part of members of all parties who have sat together on committees from time to time. I too have had the opportunity of representing my party on one of the earlier committees established to consider reform. Much of what the first committee recommended, much of what the second committee recommended, and much of what was contained in the provisional rules has been approved by the special committee on procedure, as outlined by my good friend and fellow graduate from the same university, the hon. member for Grenville-Carleton.

The Leader of the Opposition (Mr. Stanfield), both in this debate and on other occasions, the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Peace River (Mr. Baldwin) and, last but not least, the hon. member for York South (Mr. Lewis), have all stated that they are in accord with reform. So no problem arises there. We all want changes and we have all compromised our ideas about what kind of changes should be made in order to come to

some agreement as intelligent members of parliament. And we are in agreement on all matters but two, as far as we are concerned.

First—and we have stated our argument in this regard—we oppose and will continue to oppose vigorously closure in advance, the muzzling and gagging of parliament in advance on the authority of not so much a rule but of one man, the government house leader. He is not really the man in charge but is merely the agent of the Prime Minister (Mr. Trudeau). I do not say this by way of criticism. As several speakers, including the leader of our party, have said, the house leader on the government side must carry out the will of the Prime Minister. But it is really left to one man under the proposed standing order 16A to decide for how long any matter can be debated. Whether the debate be in a standing committee or in this chamber, one man will carry out the will of the Prime Minister.

I do not need to remind hon. members how eloquently the Leader of the Opposition put the argument against what we say is deliberate dictatorship, or how eloquently other members, particularly the hon. member for York South, have spoken. He said at the beginning of his remarks and repeated at the end that this proposal was what he called a subtle way of obtaining totalitarianism without openly wiping out all opposition.

Let us remember what Edwin Burke said when talking of the function of and need for an opposition. He said:

> He that wrestles with us strengthens our nerves and sharpens our skill. Our antagonist is our helper.

The hon. member for York South was every bit as eloquent as Benjamin Disraeli, who stated—and I ask members of the government party, particularly the backbenchers, to note this:

> No government can be long secure without a formidable opposition.

The second objection that we make as a party is to the complete abolition of the committee of supply. In brief, this would remove from the House of Commons the consideration and supervision of all expenditures by parliament, and the preventing of overexpenditure by parliament exposing to the light of public opinion wasteful expenditures, or worse.

In the past far too much time has been spent on the consideration of the expenditures of the government in debates on estimates. We say, certainly we should cut down that time; we agree with that. But we also say that: by arrangement through the house leaders, certainly not by using proposed rule 16A, one-third of the estimates each year ought to be brought before the House of Commons to be considered by parliament. If that will take too long, let us make it 20 per cent of the estimates. But to do away with the right of parliament to consider expenditures which have risen to almost $11 billion and let standing committees scrutinize those expenditures is all wrong. When you take away control of the pursestrings from parliament you make the executive all-powerful and reduce parliament to a rubberstamp, as my leader said the other day.

• (3:50 p.m.)

Much has been said about proposed standing order 16A. At this time I wish to direct the attention of the house to the abolition of the committee of supply and the proposal to take away from parliament the examination of expenditures which relate to taxation. The burden of taxation is heavy and is borne by all the people of Canada. In many cases that burden has meant that the living standards of many in this country have fallen below the level we think is necessary for the maintenance of decent homes. Indeed, the heavy burden of taxation is preventing some of our young people from being educated to the point where they are equipped to take their place in our great nation.

The estimates and government expenditures are to be scrutinized by standing committees which are creatures of the House of Commons. We may well ask, What kind of committees are they? How are they formed? At present our committees are totally and wholly partisan. They are purely the instruments of the Prime Minister. How is the chairman of one of our standing committees really chosen, Mr. Speaker? The government house leader knows how. When the Prime Minister or the government house leader wants a certain man to be in charge of a certain committee that may consider questions embarrassing to the government, they pick him to head the committee. He goes to that committee made up for the most part of government supporters and is then nominated and picked as the chairman. That is how their boy is picked by the Prime Minister or the government house leader. The house leader in particular has his hand in these things—he is into everything. So their man becomes chairman of the committee. And how do government members get on this committee or on to

any committee? Let us fool no one, Mr. Speaker. Many of us have seen the system operating over the years; it has been made use of by this government and governments before it. The majority of committee members are handpicked for the committee by the government house leader, the Prime Minister or the government whip, to do a job for the government.

Mr. Gilbert: Right.

Mr. Woolliams: They form the majority of that committee. Say that an item comes before that partisan committee having to do with part of the government's expenditures of $11 billion. Let us get down to practicalities. Suppose some of us want to find out why the cost of the performing arts centre has risen from $16 million to about $50 million. Supposing some hon. members of the N.D.P. or the other opposing parties want to ask some embarrassing questions. Someone may allege the government has been negligent, and so on. We ask our questions and pretty soon the partisan committee chairman rules us out of order. Then what happens? One of us may object, a motion is passed to say the committee chairman is right, and there is no appeal. We cannot appeal the chairman's ruling to Mr. Speaker. Yet there is an appeal with respect to matters brought up before the chairman of the committee of the whole house to Mr. Speaker. You, sir, are well trained and Mr. Deputy Speaker also is well trained. Committee chairmen are not. Often they are members who have been elected to this house for the first time and who have never before seen the inside of a committee room. So the hanky-panky takes place.

This house is asked to approve of a measure which will allow $11 billion of expenditures to be scrutinized by committees of this kind. As I said the other day, they are nothing but kangaroo courts; they are nothing else. The Prime Minister maintains a majority of government members on all committees he is interested in. The government members are loyal servants who look for patronage and political plums and they vote as they are told to and obstruct any questions that might embarrass the government. If one of the boys steps out of line he is removed from the committee. The hon. member for Middlesex (Mr. Lind) was on the agricultural committee and did something to embarrass the government. Without any consent the party whip took him off that committee. But the hon. member for Middlesex is not to be put off so lightly; he objected in the house and was put back on the committee. Unfortunately there are not enough men here with the integrity of the hon. member.

Some hon. Members: Hear, hear.

Mr. Woolliams: Ministers do not always appear before committees and I do not object to that. Top civil servants are presented to be examined, and in this connection may I tell the house of my experience earlier this week. The vice-chairman of the National Energy Board appeared before the standing committee on national resources and public works, and I wanted to learn why there had been a cut-back in the export quotas of crude petroleum from western Canada, something which goes to the economic heart of Alberta, as the hon. member for Calgary South (Mr. Mahoney) knows. I wanted facts. That top man could not give the answer—not that he did not know it but he did not want to embarrass the government. The only way to get the answer is to ask the minister.

Surely it is not asking too much when we say that 20 per cent of the estimates each year should be brought before the house at the request of the parties in opposition, with the consent of the government, in order that certain matters may be aired in parliament. I repeat, if you take control of the pursestrings away from parliament you destroy parliament. It is dead. Take away control of the pursestrings and you make the executive all-powerful. When the executive controls parliament only about half the intelligence available to the opposition can be brought to bear on the consideration of financial matters. The opposition is more or less silenced and parliament becomes a rubberstamp.

The late Mr. Lapointe, a former minister of justice, a distinguished French Canadian and a Great Canadian, had some interesting words to say on the subject. I hope that every member of the government will read what was said by one of the great Liberals of Canada. He was speaking at that time against a Conservative prime minister. Always remember we can never have good government if we have government by people rather than by laws. This is what Mr. Lapointe said:

• (4:00 p.m.)

It means we are being asked to agree to be dragged at the wheels of the Prime Minister and to make parliament an appendage of the executive. This attitude of the Prime Minister makes our duty to resist this legislation more imperative. The first duty of parliament is to remain a parliament, not to become a subservient and ornamental

body. Parliament has a right which is certainly paramount to the convenience of the Prime Minister. The right to live.

Parliament, he says, has the right to live.

Some hon. Members: Hear, hear.

Mr. Woolliams: When parliaments die—and they died in Europe in the thirties—freedom dies, and the power of the people to express themselves dies with it. The duty of parliament is to defend itself and to resist the invasion of its rights and privileges. That is why I have risen today, and that is why members of all the opposition parties have made their protests in this regard. I am not against reform. But I, together with my hon. friends, am against the muzzling of parliament and the proposal to deprive parliament of its traditional control over the pursestrings. To continue the quotation:

When the Prime Minister says he speaks for the whole of the country he is mistaking the echo of his words for the voice of the Canadian people. It is parliament which is and must remain the authorized exponent of public opinion and of the public will. The legislation, the policies, must be what this house makes them. Even the government must be what the house makes it.

At that point he was interrupted by an hon. member who said: "That is what it will be." Mr. Lapointe answered:

That is very intelligent; it reminds me of the words of the Greek poet Homer that the gods deprive of half their intelligence those who lose their freedom.

That is exactly what will happen if parliament dies. We are in favour of reform, but remember it has been the characteristic of great nations which have had a long history of continuous creation that they finally failed because subsequent generations failed to comprehend the great institutions which their forefathers had built to guarantee the freedom and liberty of the subject. We in Canada are now faced with a real danger of the loss of parliament and the loss of freedom.

What is parliament? It was Lord Acton who said:

—power tends to corrupt and absolute power corrupts absolutely,

It was once said:

If parliament is to be preserved as a living institution, His Majesty's Loyal Opposition must fearlessly perform its functions. When it properly discharges them, the preservation of our freedom is assured. The reading of history proves that freedom always dies when criticism ends. It upholds and maintains the rights of minorities against majorities. It must be vigilant against oppression and unjust invasions by the cabinet of the rights of the people.

We should bear these words in mind today when we consider the proposal to implement rule 16A and abolish the right of the House of Commons to look into the expenditures of this nation which represent the total taxes collected from the Canadian people. To continue the quotation:

It should supervise all expenditures and prevent overexpenditure by exposing to the light of public opinion wasteful expenditures or worse. It finds fault; it suggests amendments, it asks questions and elicits information, it arouses, educates and moulds public opinion by voice and vote. It must scrutinize any action by the government and in doing so prevent the shortcuts to the democratic procedure that governments like to make. The absence of a strong opposition means a one party state.

Reform is good, but if the government is allowed to use rule 16A, if it is allowed, under the guise of reform, to take away the right of parliament to look into expenditures which might be extravagant or which might be corrupt, then this institution is through. You might as well lock the doors.

Some hon. Members: Hear, hear.

An hon. Member: Amen.

Mr. Woolliams: Well, it would be "amen" if parliament closed.

An hon. Member: Yea, brother.

Mr. Woolliams: I do not intend to get into any argument with a man who just wants to heckle at a time like this when so many important things are at stake for this institution. The Prime Minister said that every democratic assembly requires some procedure for turning discussion into decision. Nobody argues with that. But let us not turn decision into dictatorship.

Let us consider some examples. We in the opposition have asked for a decision on a new oil policy for Canada because we are losing our oil markets. But we have received no statement of policy and no action has been taken. We have asked for a decision concerning wheat sales and means of expediting the drying of grain. Again, there has been no statement of policy and no action.

We have asked for a decision with reference to the Kennedy round discussions so as to protect our foremost industries in eastern and central Canada. There has been no statement of policy and no action. We have asked for a decision in the field of international affairs in an attempt to discover where this country stands with reference to NATO, NORAD and, indeed Biafra. But there has been no statement of policy and no action. We have asked for a decision as a matter of priority concerning a review of pensions for the aged who are today in dire need, living in

conditions which we criticize when they occur in other countries. Yet there has been no statement of policy, and no action. We have asked for a review of the pensions of veterans who served their country in what some Canadians classify as an imperialistic war. But once again there has been no statement of policy, no action. On the other hand, we have received ambiguous statements, wrapped in allegory, by the Prime Minister and other ministers on occasions when they can be encouraged to enter this chamber and grace it by their presence. Mr. Speaker, this government to date has a record of procrastination, vaccillation and tergiversation.

Some hon. Members: Hear, hear.

Mr. Woolliams: The proposal to turn over expenditures of $11 billion, the total budget, to unreformed committees means the end of the parliamentary system as we know it.

What should be done about such a situation? Every party should have a certain number of chairmen on these committees. The New Democratic party represents a big vote; it should have a certain number of chairmen. The Ralliement des Creditistes should be represented by a certain number of chairmen on these committees. The moment these committees become non-partisan, the moment they are equipped with the technical help required so that they can get at the government and find out the sins of any government, there may be something to be said for taking $11 billion from the control of this institution and turning it over to creatures of the government. But until these requirements have been met we are utterly opposed to such a move.

• (4:10 p.m.)

We believe in reform. We believe the committees should be reformed. But we do not believe in destroying parliament by removing control over the pursestrings, which is the only hold which this institution has, finally, upon any government. Combine the implementation of rule 16-A with the power that any prime minister enjoys without checks and balances and, in the words of the hon. member for York South (Mr. Lewis), the result is totalitarianism. The Prime Minister wants all probing to end. The Prime Minister wants all pushing by the opposition to get decisions to end. Do you know what he really wants? He wants a quiet, silent, effective, confidential dictatorship. That is what the Prime Minister wants.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Woolliams: He wants his government to operate like a submarine, to hide at the bottom of the sea and surface only for show. That is what he wants.

Some hon. Member: Hear, hear.

Mr. Woolliams: What is his motive? You often have to go to a man's own words to find out his true motive and his true reason. I am told through the grapevine of the backbenchers in the Liberal party, among whom I hope I will always have many friends, that rule 16-A, through which control can be exercised over committees because the house leader can say how long a matter can stay in committee, is the Prime Minister's baby and that the house leader would really like at this stage to rock it to sleep.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I had not wished to interrupt the hon. member. I am just calling the house to order.

Mr. Woolliams: Thank you very much, Mr. Speaker. I appreciate that. This is what the Prime Minister said on February 13 when he wrote that famous article in *Cité Libre*—

An hon. Member: What year.

Mr. Woolliams: 1963. These are his words. He has never denied them. They are interesting. They are not my words. He asked the question, what is the political philosophy of the Liberal party? At that time he was not a Liberal. He was looking around.

An hon. Member: He smartened up.

Mr. Woolliams: Yes, he did, because this is their philosophy. They are now performing according to the philosophy which the Prime Minister said the Liberal party had. He asked this question and the reply he gave was:

> Say anything, think anything you like. But put us in power, because we are best fitted to govern.

Those words are exactly what the new rules mean in reference to the two matters I have mentioned. As I have said, we are for reform but we are against closure before a debate starts and we are against taking away

the pursestrings from parliament and handing them over to a bunch of kangaroo courts.

In that same article the Prime Minister also said about the Liberals:

> Power is what they are interested in. The only kick allowed is that which comes from a donkey. Some say it doesn't matter. Pretty soon, they will be talking about a nuclear storm in a teacup.

That is the Prime Minister's position. Quentin Hogg said:

> Countries cannot be fully free until they have an organized opposition. It is not a long step from the absence of an organized opposition to a complete dictatorship.

It was said yesterday that no person in a position of power ever asked for more power without intending to use it. I suggest that no one ever achieved the power he asked for without using at least 100 per cent of it, and history shows that sometimes persons have used 110 per cent.

What happened in Europe? Italy had a parliament. Then it had a dictator by the name of Mussolini. Kerensky led a revolution in Russia and started a form of legislative assembly. Then came Stalin and parliament died in Russia. Parliament died in Italy. Look at what happened with Hitler. He was elected in an ordinary election, and then the Reichstag was burned down so that he might walk through the ruins as a dictator.

When we are going to reform an institution let us not destroy that institution. If we give men in powerful positions that much power without the rule of law then they have the right to abuse that power. History has shown us that human behavior is such that men will abuse power and then freedom dies. Lapointe said that what they were fighting for was the right of parliament to live.

In conclusion, Mr. Speaker, I say that we are 100 per cent for reform except on these two issues. We want to get on with the nation's business. We do not want to gag parliament by having closure in advance and taking away from this institution the right of criticizing, analysing and probing the expenditures of the nation when taxes are so high already and are running rampant throughout the nation.

Why does the cabinet not meet and say, "We will approve these other rules. We will try the reforms we have got and leave out these two matters." Or if they want to have a little more reform then, as our party recommends, leave only 20 per cent or one-third of the estimates to come before parliament because they will not take up any more time and there will not be any more hours spent in debate. That is our position. I ask the government to consider it carefully. I trust they will be reasonable men and consider it.

I close with one last thought. Government spokesmen describe this debate as holding up the works. It is the government that is holding up the works. It can now approve what all of us on this side of the house agree to and send the other two matters back to the committee for careful study. There are reasonable men in this House of Commons on both sides. They would not have been elected to it otherwise. If this is done then believe me we can get on with the nation's business.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I had the honour and privilege of being a member of the special committee which was to report on the reform of our parliamentary procedure and it certainly was a practical experience which I greatly appreciated.

Several members who have been sitting in the house for many years and who are experts on matters of procedure let us have the benefit of their wise advice and counsel.

Under the able chairmanship of the hon. member for Grenville-Carleton (Mr. Blair), the proceedings for the amendment of the standing orders were constructive and frank. In fact, all the members admit that the present standing orders do not meet present requirements. If certain important provisional changes were made, it must be admitted that the house has been exceedingly slow in amending its standing orders. During the last election campaign and since then we promised to change our rules in order to increase efficiency of the Canadian parliament and to use more wisely the time available to us. We are of the opinion that instead of engaging into lengthy and repetitious debates we should rather study a larger number of pieces of legislation and consider in a constructive and positive way, the estimates required by the various departments and bodies coming under federal jurisdiction.

Mr. Speaker, the government has fulfilled its promise. There is no issue which had and still has stronger and more general support among the people. In fact, they agree that we should engage in discussion, but they require that we make a decision after a reasonable

debating time and when both sides have expressed their views.

The government has the responsibility and the mandate of governing and introducing measures in parliament which are deemed to be in the national interest, and it is the government which will have to answer to the people for its neglect or its procrastination in having its legislative program passed.

Although I recognize the inalienable right of parliament to study, criticize or change the measures put before it, it is necessary to reconcile those two imperatives which are not necessarily mutually exclusive. I believe the changes proposed in the fourth and fifth reports of our committee will provide precisely that: better use of the time, which is of necessity limited during a session, without depriving the members, and especially the opposition, of their undisputed right to discuss and criticize the proposals of the government and this, at the various stages and especially in committee where all the estimates and the vast majority of bills are studied. This would allow a more comprehensive, constructive and efficient study, under much more favourable conditions.

• (4:20 p.m.)

It must be recognized that the volume and complexity of public affairs can only grow through the years and take up more and more of the time of parliament, while recognizing, on the other hand, that an unlimited right to debate and discuss all matters is a luxury we can no longer afford because, in fact, it could become a barrier, an obstacle to the orderly and legitimate study of the business of the country.

The members who have been here for several years know full well that the opposition did not limit itself to criticism and opposition; it deliberately and systematically obstructed the passing of certain bills which were eventually agreed to by the majority of the members, but only after repetitions and a waste of time which only served to reduce the efficiency and prestige of parliament.

It is recognized that government proposals or bills can be changed or improved through the suggestions of the members in the house or in committee. Besides, the government must not expect to be given a free hand, but it must be ready to justify its measures, to amend them or, if need be, to withdraw them; however, that does not usually happen after interminable and repetitious debates. A legislative assembly must not place itself in a position where a decision can be delayed indefinitely.

The members opposite have maintained that the government now has the means at its disposal to limit the debate. Indeed, the previous question concentrates the debate on the main motion, but that does not necessarily mean, in practice, that the debate is substantially reduced. In fact, the motion can be debated, but its restrictions are such that it is impractical and rarely used. It was used, for instance, in 1955, during the debate on an act concerning the Department of Defence Production. It did not alter the length of the discussions.

The best known means, although it is rarely used, is that commonly known as the rule of closure which, since it was passed in 1913, has only been used 16 times only. This method of limiting the debating time now appears odious in our country, even though it is very often used in the United Kingdom, in somewhat different circumstances. It is a method which is difficult to implement and which requires notice and a special motion. The 1956 experience showed to what extent debates on procedure can last when such means are proposed. It is also applied when a difficulty arises and the debate becomes fierce and when feelings are running high.

It is used to bring to an end a particular debate or consideration of a motion when a reasonable time for each stage of a bill has to be planned ahead of time. The closure rule still exists, as mentioned by the Leader of the Opposition (Mr. Stanfield) but I submit that experience has proved this is not a practical solution for the government, or even sufficient protection of the rights of the opposition.

In 1956 and on other occasions, the house raised important questions on the interpretation given to that rule which does not clearly specify what motions are affected by a particular proposal to end a debate. Therefore, it is an impractical method which is difficult to apply and which does not solve at all the difficulty of planning the parliamentary year or calendar.

The opposition leader (Mr. Stanfield) stressed in his speech Tuesday that discussions must remain within certain limits, and I quote:

> There must be reasonable limits upon the time parliament spends in discussion.

The method advocated in the report of the committee on procedure, namely the setting up of a proceedings committee made up of a representative of each party in the House of Commons, might provide a reasonable period of time which will certainly be more extended than limited, at each of the stages of the various measures the house is called upon to consider.

There is no doubt that with some common sense hon. members of the various parties can agree in most cases and set up beforehand a sensible and realistic program taking into account the nature and the importance of bills to come.

But we must consider another possibility. What happens when one or more than one member, in a committee, cannot agree on the consideration of a given legislation?

It was suggested to leave that question in abeyance and rely on the common sense of members, or else let the debate follow its course. In my opinion, this is neither realistic nor practical. In that case, it normally and conditionally behoves, not one person but the majority of the elected representatives of the people, to decide on the course of action. It has been said that this would be tantamount to closure. It is understandable that this house, contrary to parliaments in other democratic countries of importance which have never known such a procedure, can entertain doubts on the possible effects of such a course, and I submit that the fact of providing for a reasonable allocation of time for a particular debate does not deny the right of discussion, but it is actually an effort to avoid the needless repetition of the same arguments solely put forward to postpone a decision and upset the entire legislative program of the government instead of informing the people.

There is a difference between knowing in advance that a certain number of days will be allotted for the consideration of bills and an untimely termination as a result of the application of closure before any objection or suggestion has been made. The allocation of a definite period of time will not prevent a constructive and partisan debate, but on the contrary, it will encourage the member to use efficiently the time provided. The debate will merely be more concise and specific, rather than being long and repetitious. It is obvious that during each session in the recent past, an important part of the anticipated legislation died on the order paper, due to the lack of time to present and consider it. Therefore, in my opinion, we can only conclude from experience that a modern parliament adjusted to national needs, operating in a regularly, constructive and efficient way, must have a procedure for the planning of parliamentary business during the session, as is done elsewhere, without infringing on the basic rights of parliament and hon. members.

Mr. Speaker, the chairman of our committee on procedure in a masterly speech explained the main recommendations included in the report and I do not intend to reconsider them. I should like to speak briefly of the increasing importance of the standing committees of the house and of the need to reorganize them in such a way that they will be able to carry out their task and contribute in a positive and efficient way to the work of parliament.

• (4:30 p.m.)

Members of the house, and particularly back-benchers, who are often frustrated because they cannot participate enough in the preparation and consideration of bills and in the examination of estimates, will be able to make use of their talents and take an active part in discussions on subjects which they know well and which interest them. They will be able to do so, moreover, in more favourable circumstances than in committee of the whole; they will be able to discuss specific points and obtain answers and information from the ministers concerned and their officials.

Estimates will be referred to the appropriate standing committees, which will be able to examine them in advance and in detail. Moreover, the opposition will also have about 28 days, during three predetermined periods of time, in which to raise specific questions of its choice in the house, and the option of presenting six motions of non-confidence in the government on questions which it will choose itself or resulting from the reports of the standing committees. Parliament will therefore be able to control more adequately the administrative and legislative activities of the government.

All bills, except those derived from money resolutions or ways and means resolutions and those which the house has decided to stand, will be referred to the standing committees for detailed study before being reported back to the house. I think we need well-organized committees which will have enough time to study the measures submitted to them. This will probably require periodic adjournments of the business of the house, as was suggested in the conclusions of

the third report of the committee on procedure.

The Leader of the Opposition has expressed doubts cncerning the possibility for the committees to function properly due to their present limitations and in view of the increase in work which will result from the changes in procedure. I believe the government admits that the organization of committees will be necessary to allow them to operate in a practical and efficient way, for instance, through the provision of a greater number of experts, translators, secretaries, premises, and so on.

Members will soon realize the importance of committees and the necessity of being present at the meetings, but in any event, the evident advantages of this system are worth a try.

Mr. Speaker, I do not want to discuss the numerous amendments which have been proposed and which will change considerably the old methods and the present practices of the house regarding matters as important as estimates and the procedure of the ways and means committee to levy taxes, following the proposals contained in the budget, and to authorize government expenditures.

Changing ordinary legislative procedures, and the rules on urgent debates as well as several other changes of lesser importance will enable our parliament to play its true role and to regain the prestige which it must have in the eyes of the people.

Finally, those rules are not immutable and if, in practice, it becomes obvious that some of them cause inconvenience or fail to give the expected results, they can be amended by the house which sets its own rules. Besides, realizing the effects of its recommendations, the committee suggested setting up a standing committee on procedure which could revise the recommendations and complete the work of the special committee. In fact, that committee had only a few weeks to deal with the problems it considered most important and most pressing.

I am confident that with the full co-operation of the members, those changes will not have the disastrous consequences some take pleasure in predicting every time the rules and procedures are changed substantially. Instead, they will result in the adaptation of our parliamentary procedure to the needs of a new and complex world which requires the efficient use of the time of the house during a parliamentary session.

[Mr. Forest.]

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, ever since I first became a member of this house I have been a zealous, indeed an impatient advocate for parliamentary reform. I believe, as do most other members, I am sure, that parliament is the supreme instrument of democracy and therefore the best means of bringing about needed changes within society. Therefore I want it to be both efficient and respected.

It has seemed to me that there is in parliament today unnecessary repetition at various stages of debate, that speeches should be shorter as indeed they are in the British House of Commons. The development of a more efficient system of examining legislation and estimates in committees would enable elected members to take a much more meaningful part in the proceedings of parliament than they do at the present time.

It is for these reasons that I deeply regret the government has seen fit to include within the package of parliamentrary reform, most of which I can heartily support, the poisonous pill of the proposed rule 16A. To get the desired reform of parliament we are asked to swallow rule 16A. I for one cannot possibly swallow this pill. The reasons for rejection of rule 16A have already been well stated by the Leader of the Opposition (Mr. Stanfield) and by the hon. members for Winnipeg North Centre (Mr. Knowles), Peace River (Mr. Baldwin) and York South (Mr. Lewis), among others. They bear repetition.

Rule 16A as it is presently drawn undermines the very institution we are supposed to be improving. Parliament has already been rendered far too impotent by the growth of executive power. This rule would complete that process. By limiting debating time within the sole and arbitrary discretion of the executive, rule 16A would deprive the opposition in parliament of its only real weapon. That weapon is the right to rouse public opposition by reasonable debate in this house. It has been said before that members of parliament might as well go home if this rule is passed because their power to have any reasonable degree of control over the executive by an appeal through debate to the power of public opinion would be virtually removed.

The rule is very sweeping in form. A minister of the crown may propose a motion for the purpose of ordering any arrangement for the calling and allotting of time for the consideration and dispatch of any item or

items of the business of the house or its committees. I do not think any reasonable observer of parliament would deny the desirability of time allocation in parliament. This is indeed essential if parliament is to get through needed legislation.

I have no doubt that there are in the administrative pipe line many legislative drafts which urgently need to be enacted into law. I take, for example, the amendments to the Immigration Act set out in the government's own white paper. A new Immigration Act has been promised by at least the last ten ministers of immigration but never produced in parliament. I think of another example, the need to replace the present antiquated Expropriation Act, described by hon. Mr. Justice Thorson as the worst in the western world.

Time allocation is a reasonable, indeed a necessary proposal. It must be adopted. But to spring from this necessity to the proposed rule which gives the government unlimited power to dictate the length of debate is to abandon the idea of consensus, reason and agreement and put the proceedings of this house in the hands of a single man. It may be said that the government house leader must be supported by a majority in the house, but we all know that 999 times out of 1,000 the majority would support the house leader. The opposition, no matter how strong their case and how deep their conviction, would have to accept a stifling limitation of debate on the sole judgment of the executive.

• (4:40 p.m.)

For the opposition to acquiesce in such a measure would be to betray our responsibility not simply to this parliament but to the whole institution of parliamentary democracy. The government, as I have said, would be the absolute master of the house. This may be precisely what they want, for all I know. It is precisely this that we must resist. I find it tragic that when 90 per cent of the proposals for parliamentary reform are agreed to, and indeed welcomed, by nearly all the members of the house, this opportunity of getting an agreed reform is thrown away by the apparently uncompromising determination of the government to use the opportunity to force the seizure of absolute power over the procedures of the house.

Apparently the government does not pay any attention to members speaking in the house. The minister in charge is not here and the rest of the members on the Liberal side are chatting. Nevertheless I plead with them all the same. I plead with the government, even at this stage, to take a new look at rule 16A. As I say, perhaps one is wasting one's breath talking in this house—perhaps we should have short debates.

Mr. Basford: I am listening.

Mr. Brewin: That is very encouraging. There is one minister listening.

Mr. Knowles (Winnipeg North Centre): He is the only one here.

Mr. Brewin: This is a debate that affects the whole future of parliamentary democracy, and yet one minister sits and reads while the debate proceeds. I think this is something worth commenting on. It is some indication of the seriousness with which this government takes the whole institution of parliamentary democracy.

Despite the circumstances I plead with the government, through the Minister of Consumer and Corporate Affairs if he will listen to me—I am glad he is listening—to take a new look at rule 16A. The hon. member for Winnipeg North Centre has already made proposals for a reasonable compromise. He has conceded that when there are unanimous decisions of the committee in regard to the allocation of time its decisions can be made an order of the house without debate. It is suggested that when the majority of the committee is in favour of a proposed time allocation, it can be debated with respect to individual items with a minimum of debate. In fact, if one of the parties in opposition agrees with the government it will be possible, after a fairly short debate, to allocate time to the item. This in itself provides a reasonable prospect that no unreasonable attitude by a single party in opposition can hold up the business of the house.

The present proposal in rule 16A provides for the case where there is an impasse between the government on the one side and all the opposition parties on the other. It proposes that this can be resolved by the dictate of the minister and a simple majority in the house. It can be imposed, moreover, not in regard to a single item only but in regard to as many items as the government suggests. The rule is without any guide line or restraint whatsoever.

Surely some reasonable provision can be found. The case of an impasse between government and opposition occurs, and I think should be dealt with. It is true that in a case where all of the opposition parties obstinately

refuse to agree to a reasonable time allocation on an individual item, the process of closure would be open to the government. But it may be, however, that in respect of individual items and after a reasonable time for the opposition to state its objections in debate, and subject to some reasonable limitation, the majority supporting the government should be able to resolve the impasse. I am not pleading that there should be no rule dealing with situations where there is an impasse, but this is a far cry from the present proposed rule.

I would suggest to the government as a possible basis for a compromise solution minimum time limits in the allocation orders imposed by a government majority. This has already been proposed by Professor MacGregor Dawson in "Procedure in the House of Commons of Canada". Surely it is worth the effort on the part of the committee to come up with a solution which would be fair to the government and to the opposition alike and not an imposed solution. I understand that no real effort has been made in this committee to deal with this key matter, and I suggest that this house should not be asked to vote on approval of this rule until a real effort has been made by the committee on procedure to see whether the suggestion of Professor MacGregor Dawson or some other suggestion to deal with this impasse reasonably can be implemented.

In order that the proposed changes and reforms in parliament be secured without bitterness, I urge the government to agree to refer the matter back to the committee to arrive at some such solution which would recognize at once the rights of the opposition and still give some reasonable means, but not unlimited means, whereby the government can, in the absence of compromise, allocate time. If the government refuses to consider a compromise on rule 16A, it will indicate clearly that it prefers to be arbitrary, and that it is prepared to ride roughshod over the basic rights of the opposition. I suggest in all seriousness to the government members that this will not do their party, let alone this parliament, any good.

Some hon. Members: Hear, hear.

Mr. Brewin: There is room for a reasonable solution if reasonable men will look for it and look carefully at it. As I have said, I suggest that Professor MacGregor Dawson's proposals would be one basis for a discussion. To ram this down our throats is unwise as well as dangerous to parliamentary democracy.

It may be claimed that in the interests of efficiency the imposition of this rule is necessary. But suppose it leaves an embittered house and a justly suspicious public. I say it will poison the good effects of the proposed reforms of parliamentary procedure. Instead of being something adopted by all of us to improve the procedures of this house, this is something imposed on us by a majority vote and in the face of a lack of any reasonable attempt to reach a compromise on this issue. As I said, it will poison the good effects which would flow from the proposed reform of parliamentary procedures.

Although we are and will remain a parliament divided by party and no doubt a forum of vigorous party differences, vigorously expressed, there is no reason why the different parties should not co-operate in this parliament to produce a legislative record of which all parties can be proud. I suggest that the best way to start this is for the government to set the tone of parliament by accepting a compromise in this regard. They can set the tone, indeed, by insisting on securing virtually dictatorial powers over the procedures of parliament. They can set a tone which will seriously jeopardize the usefulness of parliament. It can seriously diminish the power of parliament. It can arrogate to the executive even more power than it has today. It can cripple and emasculate the effective functioning of the opposition and hence of parliament itself. To what end and to what purpose would they do this? Surely they should, even at this stage, look for means of compromise whereby we can work out together a procedure which would enable this parliament to be effective and to do a good job.

There are one or two other matters in regard to the report which I wish to discuss, one that I think has not been discussed before. I notice that the committee in section 38 of its report refers to private members' bills and motions and suggests that a means should be found whereby such bills and motions could come to a final decision or be referred to a committee for study. May I urge that this proposal be given a high degree of priority in the future deliberations of the committee. It has always seemed to me that the private members' hour sometimes reaches a high degree of futility. Even high school debaters are at least at liberty to express an opinion at the end of their discussions. But day after day parliament sees the procedure

of private members' bills being talked out and dropped to the foot of the order paper, usually not to be discussed for another year. Some people think that this is of some value because the subject matter of the discussion is at least brought to the attention of the government by the debate and may eventually be adopted by them. Some people say that occasionally the press will deign to notice a private member's bill and thereby give it some publicity. But surely there are better ways of publicizing an idea than to waste an hour of parliament's time in a discussion which practically never results in a decision.

• (4:50 p.m.)

When the Prime Minister (Mr. Trudeau) spoke in this debate about government business, Mr. Speaker, he said that debate was all right but it should not be divorced from decision. I quite agree with that. Why should this, however, not apply to private members' bills as well? Why should debate forever be divorced from decision with regard to the bills brought before this house by private members? I appreciate that time makes it impossible to deal with all the private members' bills that might be introduced in a session, but surely it would be better to deal with some of them seriously and either pass them or reject them or else send them to a committee, than to have a large number brought forward only to be killed after an hour's desultory debate.

I would rather introduce one private member's bill during the life of a parliament which was seriously discussed and perhaps defeated or passed than introduce six bills per session, none of which was either accepted or rejected. Why should members bother to introduce private bills? Why should one bother trying to persuade one's colleagues in the house or the members of other parties about the seriousness of a matter which you are trying to introduce, when you know the bill is going to go through this farcical procedure that we go through in this house?

It has been proposed that more legislation be referred to the committees. This is well and good. I think the committees, in themselves, could be very useful as a better source of legislation than some of the bureaucratic sources which now produce our legislation or do not produce it, as the case may be. A great many more private members' bills should be sent to committees. There is a tendency now to say that a good idea is not a good idea if it comes from a private member of parliament. I think this is a great mistake. This would do a good deal to enhance the legislative responsibilities of the individual member of parliament, whether he be a government or an opposition member. The present procedure in connection with private members' hour, it seems to me, tends to demean the seriousness of the functions of the individual member of parliament, and indeed of parliament itself. Surely it would be possible to arrange that those private members' bills which are fortunate enough to get high up on the order paper could be discussed and either accepted or rejected or referred to a committee, after or before three consecutive hours of discussion during the time available for private members' bills.

I might say, while I am on the subject, it seems to me something ought to be done about private bills as distinguished from private members' public bills. Many of these should be dealt with by machinery outside parliament rather than taking the time of the elected representatives of Canada.

Fundamental to the proposed reform in this report is the more effective functioning of the committees. What is proposed of course is not, as has been sometimes said, the adoption of the congressional system of the United States of America. The function of the committees should be, in effect, to secure a consensus if possible, and to enable government policies to be discussed and criticized by elected representatives before they become law. In my view a properly functioning committee system could tremendously invigorate the work of parliament. Let me pick one or two examples within my experience. There is no reason why the committee on immigration should not perform the function of checking the delegated legislation, namely, the orders in council which are the chief regulators of immigration policy today. At the same time, the committee could act as an ombudsman in immigration matters which so deeply affect the lives of so many individuals.

The committee on external affairs and national defence could be a means whereby the views of experts on Canadian policy in this field could be brought to the attention of the public, and could be brought to bear upon the actual policies of government in this important field. This would be a lot more important than the one-shot special review which the government is now undertaking. The contribution to be made by a vigorous and experienced committee on principle in this field would enable Canada to take a real grasp over Canadian sovereignty and have incalculable results. However, an effective

committee system will require not only the co-operation of the individual members but also a real effort on the part of the government. The government will have to be ready to take seriously the recommendations of the committees. It will have to make better use of the committees, to use them as a means of securing a consensus. Only if the government is willing will it be able to use committees to obtain the contributions of individual members, whether on the government or on the opposition side, in the process not only of drafting legislation but in reviewing policy.

There have been some committees, of which I have been a member, which were virtually useless. I remember, for example, that the Columbia river treaty was referred to the committee on external affairs. This was a vast treaty affecting the future of this country in a very important manner. At the opening of the hearing the then secretary of state for external affairs came in and said that not one comma in the treaty would be changed, no matter what the committee decided to do. The lengthy sittings of the committee were a lugubrious post mortem on the treaty, relieved only by the vigorous and unextinguishable opposition of General Andrew McNaughton.

The committee on national defence which studied unification was equally useless. After the government had insisted on second reading and insisted that there be no change in the committee, all you had in the committee day in and day out was the transfer of the bickering to the committee rather than carrying it on in the house. This was a complete waste of time. Hon. members will have their own examples in their minds of committees which have worked, worked well, and made a contribution to the development or improvement of legislation. I recall, for example, the joint committee on divorce which laid the foundations for the divorce bill and, indeed, brought to light progressive proposals which went much too far for the present rather conservative administration. Of one thing you can be sure, and that is that the core of the present proposals for the reform and revitalization of parliament will not work unless the committee system functions effectively. We will all have a very great measure of responsibility in trying to make that committee system work.

I notice that at the moment even the Minister of Consumer and Corporate Affairs is not here. Not a single representative of the government is present so far as I can see. Oh,

[Mr. Brewin.]

the Minister without Portfolio is here. In conclusion, I once again ask the government to be reasonable about changes to rule 16A. A flexible attitude in this regard would seem to be indicated by the Prime Minister's own remarks last Tuesday night. The government could bring a real measure of reform to our parliamentary procedures, with the enthusiasm and support of all parties. It could set the tone for the future of this parliament. I plead with the government not to insist on having its way in this regard but to take a fresh look at this problem.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, at the outset I want to say that it was a privilege to have had the opportunity of serving as a member of the special committee on procedure of the House of Commons. It was a small committee numbering 12 members compared with the usual standing committee of 20 members. It did its work in camera without the presence of the press and without calling witnesses. The sessions were working sessions, shirt-sleeve sessions and sometime luncheon or evening sessions. It was a hard working, effective committee, and I want to say particularly how much I enjoyed the association not only with my own colleagues but with hon. members opposite who did their part in bringing about the reforms of the rules. It is a fact that at the end of the sessions held by that committee we were unable to come up with complete agreement on what the standing orders should provide, but there was a very broad accord within the four walls as members worked together in real understanding about the place of parliamentary procedure in governing the work we must do here. Therefore it was a very worth-while experience for me to have the privilege of associating myself in this endeavour with members of the House of Commons from all parties.

• (5:00 p.m.)

We in this house have the dubious privilege of owning what is perhaps the most antiquated set of rules in a modern parliament. While the story of how we came to inherit such a set of rules and why we are the antiquarians of the rules in Commonwealth parliaments has been told in this house before, perhaps it is worth telling once again in sketchy form. When we confederated in 1867 we inherited the rules of the House of Commons of Great Britain. These were the leisurely paced, mid-Victorian rules of that time.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Deachman: Mr. Speaker, may I first say that I bow to the very superior knowledge of the rules of the hon. member for Winnipeg North Centre. If he wants to make points or to ask questions about what I have to say today, I am sure he can cut me to ribbons because I am a novice in the field. I think I have a rough idea as to what has happened to us historically. However, I would be very glad to give the hon. member an opportunity of asking his question.

Mr. Knowles (Winnipeg North Centre): I thank the hon. member for his kindness. I just wanted to be helpful since he is giving what appears to be an interesting bit of history. Is it not a fact that the rules that we took over in 1867, though originally they may have come from Westminster, were actually the rules of the House of Assembly of the parliament of the old province of Canada that existed from 1841 to 1867, which in turn had come from Upper and Lower Canada? I thought that he would like to have the complete story.

Mr. Deachman: I think that is a fact. In searching my mind I recall that these rules were put together under the helpful guidance of Alpheus Todd, Clerk of the House of Commons in the union of Upper and Lower Canada. This was the man who bequeathed to the present House of Commons its first set of rules, who went on to become librarian of the House of Commons and whose son subsequently also served the house. So I agree with what the hon. member says.

As I was saying, our rules are essentially the former rules of the British House of Commons. As the President of the Privy Council (Mr. Macdonald) has said, commencing in 1881 the British house programmed its work. It was during that year that the British house had to face the troubles caused by the Irish party which brought the work of the House of Commons to a standstill. It became apparent to the members of the House of Commons of that day, accustomed to working at leisure in what was essentially a club, that there now had to be brought into the house a little more order and decorum, some mastery of its own rules and some capability of planning its affairs. As a result the rules of that period were vastly overhauled.

When the new dominions of Australia and New Zealand joined what was then called the British Empire they inherited not the leisurely rules of 1867 of mid-Victorian times but the updated rules of the British House of Commons following the Irish troubles in the house in 1881. At the turn of the century they set out to make rules for themselves which were updated from the rules of 1881 and vastly updated from the rules of 1867 or prior thereto, rules which essentially we have inherited. So it is, Mr. Speaker, that the Australians and New Zealanders have become the modern exponents of Commonwealth parliamentary rules. Great Britain has held the middle ground in rule making, and we in Canada have become the antiquarians of the rules of the House of Commons.

What precisely does the expression "antiquarians of the rules of the House of Commons" mean? It is not very easy to answer this. Everybody knows that the House of Commons wastes time but no one knows exactly how time is wasted. To get to the root of the problem I analysed the time spent on each item of the business of the house in the second session of the 27th parliament, which began on May 8, 1967, and ended its work on March 27, 1968. It was not the longest session of that parliament but it was, as I shall show in a minute, a session of more than normal length. This analysis was made possible, I might say, by the introduction into *Hansard* during the twenty seventh parliament of the notations of time at ten minute time intervals which hon. members can see in the record today.

The second session of the twenty seventh parliament of Canada encompassed a period of 46 weeks during which the house sat for 32 weeks, or 154 days. The hours in session amounted to 821, according to my own calculations, though there may be a fractional error there because it is pretty hard to figure them out exactly. An additional 26 hours were taken up on adjournment debates.

During that session government business consumed 72 per cent of the working time of the house, or 582 hours. Government motions, oral questions, privilege and urgent debates under standing order 26 took 20 per cent of the house's time, or 164 hours. Private members' business took 8 per cent of the time, or about 75 hours. These figures are exclusive of the 26 hours consumed during the adjournment debate after ten o'clock.

In a normal sessional week the house sits, as we know, 28½ hours, exclusive of dinner hours and the adjournment debate. The question period at the commencement of each day requires three hours and 30 minutes per

week, according to our present rules. Opposition members have seldom been known to relinquish a minute of this time.

Other business preceding the first item of government business, including questions of privilege, motions, and questions of urgency under standing order 26, required an average of 19 minutes a day, or one hour and 37 minutes a week. Thus it took over five hours a week to get to the first item of government business.

Apart from the fixed oral question period, the most time-consuming items in this period were government motions and replies to them, questions of privilege and questions of urgency, which at times developed into lengthy debates and also added to the time consumed before government business could be reached. On six days during the second session of the twenty seventh parliament this period took up the whole time of sitting, leaving no time at all for government business. On five other days the period exceeded two and a half hours. This represents a total loss of working time of two weeks in the course of a session.

It required 20 per cent or one-fifth of the house's time to get past the question period. It took two full weeks or ten sitting days to get through the speech from the throne debate at the beginning of the second session of the twenty seventh parliament. It is interesting to note that at the opening of this current session hon. members bored each other stiff with their own talk and gave up the throne speech debate at the end of the seventh day.

• (5:10 p.m.)

The budget is another timed debate. In the second session of the twenty seventh parliament the Minister of Finance brought down two budgets. They were discussed in the months of June, October, November, December and March on a total of 19 days, and included the budget statement itself and the debate on the bills. These two debates, the throne speech debate and the budget debate, took up 29 working days or a period of almost six weeks.

We should be careful in approaching this subject not to imagine we are modernizing our House of Commons rules. We are not. We are simply modifying procedures which were inherited over a century ago and which we have kept almost intact like a family heirloom. When we have finished amending our standing orders we will be applying procedures which other parliaments have been using for decades. There is nothing revolutionary about what we are doing here. In the light of modern legislative practice we are barely updating ourselves to the 20th century.

Lest I be accused of exaggerating let me describe one of our procedures. We take a whole day to hear the Governor General read the speech from the throne. There was a time when this speech was a simple and unadorned catalogue of legislation which the government proposed to introduce during the session. Today the style is to fortify this naked statement with sugary adjectives and syrupy editorializing. I will not go so far as to say that recent speeches from the throne were written by C.B.C. scriptwriters, but I will say that they could be fitted into a Quentin Durgens script with very little editing.

Some hon. Members: Hear, hear.

Mr. Deachman: That is all we do on the first day. Next day two new and starry-eyed members move and second the address, and that is all we do on the second day. On the third day the leaders speak, and when they have finished almost everyone gets up and walks out. For the next week and a half oratory crashes and reverberates through the almost empty chamber until it is finally silenced by votes or, as was the case in September, by common consent out of sheer boredom.

One might excuse this old charade if we did it only at the opening of a new parliament, but we do it every session. In the lifetime of this parliament, if it runs four sessions, it will take up eight weeks or two months of parliamentary time. And the throne speech is not the only time consumer. We debate the budget for a week and then we debate the budget resolutions. Recently we have been bringing down two budgets a year, doubling the time required for the budget debate. We send the estimates of the departments to the standing committees of the house for detailed examination. When they come back to the house we examine them in detail again in committee of supply.

I ask you, sir, if you set out to devise a way of examining estimates would you invite 364 people into a cathedral-sized room and ask them to get on with examining the estimates? And if you found year after year that only about 20 or 30 people came when it was time to examine the estimates would you not imagine, perhaps, that the procedure had become outdated and it was time to change it? When we sit here sometimes near the end

of a session or just before the Christmas or Easter recess and have estimates to pass we find ourselves saying, "Shall vote 5 carry—carried, shall vote 10 carry—carried, shall vote 15 carry—carried", and when we look up at the gallery and see people there who may have come great distances to find out what parliament does do we not wonder what they may think of us and why we have not devised a better way of carrying on our business? We alone among Commonwealth parliaments have hung on to these antique practices and that is why, sir, the procedure committee is anxious to see them changed.

I want to deal for a moment with the way we use our time and with the way we spent our time on bills. It has been said many times in discussions in this house and among ourselves, and it was brought up one time in the procedure committee, that on average we really do not take too much time on bills and if the programming of the work of the house were just left to the good will of hon. members we would work out a logical program in which there would be adequate time for the examination of bills. Well, sir, let me give you an idea of how the house has behaved in regard to the examination of bills when no timing device has been used. When we look at the record of government bills considered during the second session of the twenty seventh parliament we see that we spent four days on the Cape Breton Development Corporation, three days on the manpower and immigration bill and five days on the C.N.R. bill, No. C-151. We spent three days on the emergency gold mining bill, seven days on corporate and consumer affairs—

Mr. Basford: Hear, hear.

Mr. Deachman: —and nine days on the broadcasting bill, No. C-163. I note that the Minister of Consumer and Corporate Affairs is applauding the seven days we spent on his department. I can advise him that unless we are able to arrange and program our work we might not be able to get ministers' future bills through this house.

Between January 22 and Easter we spent on the Criminal Code amendment eight days; on the Judges Act, three days; on the divorce reform bill, six days; on the Income Tax Act, five days; on the broadcasting bill, No. C-163, 12 days; on the patent bill, three days; and on the Income Tax Act, that is, wrapping up the budget, three days. That, sir, is the way we employed our time on bills. When we look at the work we have to do in the house, how can we possibly pursue a schedule like that? How can we possibly, within the limits of 365 days, employ our time usefully in this house if we pursue a program of that kind? Sir, when the procedure committee during the last session went to England and talked with the officers and members of parliament at Westminster regarding the employment of their time, its members came back and prepared their fourth report, an ecstatic report on the way the affairs of the House of Commons of Great Britain are handled. And no one was more ecstatic than the hon. member for Peace River (Mr. Baldwin) who is leading the party opposite in the discussion on this measure. Let me tell you, sir, what they said about the way legislation should be handled in the light of their experience in Great Britain. They said:

> —the ministry has a right to bring forward each year a legislative programme appropriate to a session of normal length with knowledge that the House of Commons will decide expeditiously whether or not to pass each of the proposed measures. Intense debate followed by decision is regarded as reasonable and advantageous by members from both sides.

Sir, I only hope that hon. members on the opposition side realize what members of parliament in Great Britain have already realized that the programming of the work of the House of Commons means a more efficient House of Commons not only from the standpoint of the government itself but from the standpoint of every backbencher who serves in the house. The committee made its report to this house. Hon. members opposite helped to write it and agreed to it. The committee went on to say:

> • (5:20 p.m.)
>
> At the same time it is recognized that the opposition should be given ample time in each session to bring forward for debate and decision its own substantive motions.
>
> Two observations were heard repeatedly at Westminster. The first was, "we have decided that there are only 365 days in the year." The second was, "We have decided that in debate there comes a time when enough is enough."

Then the committee reported:

> We have reached the conclusion that at Westminster the opposition is willing to accept intense debate and speedy decision on government bills partly because this approach is conducive to order in the daily and weekly business of the house and to predictability in the duration of the sessions, but chiefly because of the efficient way in which supply days are used at Westminster.

The proposals we have introduced do not follow exactly the procedure at Westminster nor in Australia or New Zealand, but they are, I believe, the best that people with long

experience of parliamentary rules have been able to devise with the assistance of many who have studied the rules of the House of Commons for many years. The principal cause of difficulty between us arises from the proposed rule 16A which would allow for the programming of the work of the house and under which the number of days to be given to each important piece of legislation and, indeed, to all business which goes through the house, could be determined. This is objected to on the grounds that it would throttle the ability of members opposite to carry debate to what they believe to be its ultimate and just conclusion.

There are three ways in which we can manage our affairs in dealing with legislation. We can, as we do now, let debate run on until it runs out, perhaps keeping on the record the old guillotine order just as a farmer might keep an old and rusty gun in his cellar. He knows he dare not fire it because it might blow up in his face, but it gives him some kind of comfort. He does not really intend to use it, but it is there.

The next way is the closure method by means of which, if debate on a measure or a bill has gone on far enough, an attempt is made to bring the discussion to an end. Well those of us who have been here for two or three sessions or more have some experience of how this works in practice.

A bill is introduced and after debate has gone on for some time cabinet ministers on the front benches begin to lean toward each other and ask: "Do you think this has gone on long enough? Are they going to keep it going for another day, or do you suppose they are waiting for some of the people out west to get back to the house and have their say before the bill goes through?" Then they say: "Perhaps we should let it go on for another day." At the end of the day the leader of the house gets up and says: "I wonder whether we could have unanimous consent to continue this debate for another half hour or so in the hope we can make a little progress." And somebody down at the other end of the chamber says: "I see it is ten o'clock, Mr. Speaker." So no more progress is made that day and it appears there is no desire to get the bill through.

What happens next? We go into caucus where the minister gets up and says: I do not know whether they are filibustering, and the only thing we can do is let it go on for another day. Then he turns to the backbenchers and says: "Look, you will not get any votes by debating this bill in the house tomorrow, so if you would please shut up we will get on with letting the opposition members talk. Perhaps they will run out of speakers soon and we shall be able to get on with the next measure."

What happens then? Ten o'clock comes around and still the bill has not gone through. Now the backbenchers are anxious to get on with something else, and hoping to get into the act they begin to creep down to the front benches to whisper in the minister's ear and ask whether he intends to apply closure. The minister remembers what happened to C.D. Howe and after thinking a little he says: "No, I don't want to do that. I believe they are running out of speakers. They have only got five guys left over there and they are not very good."

Some hon. Members: Oh, oh.

Mr. Deachman: We have all seen that sort of thing go on this session in connection with bills which were not all that important, either. Hours slip into days, days into weeks, and our work here in the house has not been done.

The other alternative is the one we suggest in rule 16A, that we should do as other parliaments have done and program our work.

Some hon. Members: Hear, hear.

Mr. Deachman: When I appeal to hon. members to program the work I do not expect to receive thunderous applause from the opposite side. I notice I am not receiving it. It is probably a fact of history that no opposition member ever moved a motion to program the work of the government or voted in favour of such a motion when it was brought forward by a government. This is because opposition members have a vested interest in confusion. They do not want to see the government programming its work and running its affairs in the House of Commons in an orderly or businesslike fashion. They do not want to see these bills going through as planned, to hear the arguments set forward both for and against and then vote on them and move forward to something else. No sir, that is not for opposition members.

I doubt very much, unless there are some philosophers over there instead of politicians, that we shall get a great deal of help from the opposition. But I come back to the point that in Britain government and opposition members alike are disposed to retain the

ground they have gained in the programming of their own work.

I wish to draw attention to another aspect. You will note, Mr. Speaker, that members opposite who went to Britain and talked to people there about the way in which they program their work also agreed to the fourth report and were, in fact, quite starry-eyed about it. Indeed, when I spoke to the hon. member for Peace River some time before the last election—as a matter of fact it was before we even knew there was to be an election —he was starry-eyed and ecstatic about it, simply because the convention of last April had not taken place, and he did not know that after the election we would be on the government side and he would be sitting in opposition. He had it in his mind that we would be sitting over there on the opposition benches and he would be programming the work of a Tory parliament. He wanted it so badly he could taste it and he framed it in the words of the fourth report.

• (5:30 p.m.)

Sir, we know what we have to do here. We have to get on with ordering the work of parliament in an orderly way. I think that in their hearts members opposite also know that this has to be done. They know that when the time comes it is not really going to be all that distasteful. We are not really going to take away from them the right of debate. They know this has not been done in other parliaments where work is programmed.

But quite apart from that I want to appeal to members opposite just to be fair. I appeal to them in this way. I share the business of being a backbencher and I think we backbenchers, including those opposite, want to do what is right in order to provide justice to the backbenchers in this house. We do not care about the ministry. We know they will get in their licks. We do not care about that long range of extinct volcanoes opposite that occupy the front bench. I am concerned about the backbenchers. I appeal to them.

If we program our work the majority of the poor backbenchers will then be able to take part in debates. We on this side of the house, who now sit on our hands waiting for the people on the other side to run out of steam, will be able to take part in timed debates. We won the last election so easily that we came back here with backbenchers in large numbers. The majority of backbenchers are on the Liberal side and in fact slop over into the corner to your left, Mr. Speaker, so that there is a whole rump parliament operating over there. These are the people who have to be given justice under the new rules. I appeal to all backbenchers to pass 16-A and make it possible for the majority of backbenchers to take part in the proceedings of this house in an equitable way, the way we should be able to.

Some hon. Members: Hear, hear.

Mr. Deachman: We know that opposition members want to hear what we have to say and so I ask them for the privilege of letting us enter into debates in the way in which they now do, and share with them the delights of being full-blown parliamentarians. Let us pass 16-A. Let us program the work. Let us all go to work and not just some of us.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I am pleased to speak to the report of the committee on parliamentary procedure. For our part, we have been hoping for a long time that a similar committee would be set up and would produce a report. I expect all the members in this house have also been hoping that a study on parliamentary reform would be made.

A while ago, I listened with great interest to the member who preceded me as he outlined the work of that committee and explained how our government operates under the present rules. We found it a bit amusing, just as visitors do when they find out how our procedure works and our debates proceed. As proof of this, may I mention this person who, the other day, sat in the galleries while we were adopting the estimates. This person heard the whole rigmarole. When I met her, I asked her what she thought of it. She said that here the litanies are very long. Indeed, she thought we were reciting the litany of the Blessed Virgin or the Sacred Heart and felt like saying "Ora pro nobis".

Mr. Speaker, this gives you an idea of the picture a spectator can get when he follows some of our debates. That is why, for six years now, we have been begging various governments to modernize the process and make those rules more realistic and up to date.

Mr. Speaker, allow me first of all to congratulate the team of members who worked hard on the committee on Procedure. Here is a striking example of what sincere men can accomplish when striving for the progress of

our society. Ninety-eight per cent of the amendments proposed were accepted unanimously by the members of the committee. Is this not outstanding work intended to improve the working methods of the house and to make its debates more effective?

• (5:40 p.m.)

I will not recall here all the points raised in commitee. Tonight I would like to deal with one point only which was not settled and make my humble suggestions to the house. I am sure that during the Christmas season a happy solution will be found to the ticklish problems which concern all hon. members because I cannot believe for a single moment that 263 hon. members will dare play politics about a matter of such importance to the survival of our democracy.

In fact, I think we are dealing with the most delicate part of the rules of the house. I will even say that we are at the heart of a problem which has been a stumbling block for past governments and the main reason for that waste of time and money which in some way has led the people to lose faith in parliament.

Today, we come to the crux of the matter, at the crossroads of democracy and dictatorship, because to be realistic one must admit there is some dictatorship in any democracy, just like a dictatorship cannot survive without some democratization. In fact, any move made by one man or a majority group, whether it is called a political party or otherwise, becomes a dictatorial act for the minority group. It cannot be otherwise, since the law of the majority is the very foundation of any healthy democracy.

Therefore, it is on this principle that I want to call the attention of this house, since we admit that parliament is made up of political parties, one of which is a majority party, that is the one that received a greatest number of votes and consequently, it represents the majority of the democratic community.

Having established this principle, I think that we should now rise above our respective parties, and engage in a frank and fair discussion. Yet, if some members are not competent, they should, in the days ahead, yield to those who are, because one must not forget that the members of this government, sooner or later, will feel the good or ill effects of the new legislation.

Mr. Speaker, I think that if, for a few days only, we could reach a certain degree of

individual freedom and independence, it would be a lot easier to get legislation passed, which would be in line with reality.

It is for that reason that we second the amendment to refer the matter to a standing committee where order 16A can be considered again, and where we will be in a position to discuss it openly and in a friendly way. We would be far from this parliamentary platform where everyone is anxious to show himself to advantage, at the expense of the main issue.

Of course, it is easier for us, members of the Ralliement créditiste, to work towards the passing of a sound legislation because unlike other parties, our party cares only about the interests of the people.

Our first question is as follows: Why did the government introduce standing order 16-A? Why did the official opposition protest against this standing order?

In all fairness, Mr. Speaker, in order to make an impartial judgment, I must get inside the skin of a Liberal on the one hand, and a Conservative on the other.

In view of the party which I represent, this is quite an easy thing for me to do, for I have no special ties with either one of those parties, particularly since those who elected me here are all former Liberals or former Conservatives. Therefore I am not dealing with the problems of committed Liberals or Conservatives.

If I were a real Liberal, a docile one, I would naturally be in favour of standing order 16A, because it is the instrument above all others which will give my party supreme power. On the other hand, if I were a true Conservative, I would oppose it for the opposite reasons.

I am a member of a free party which wants to be logical, constructive and progressive. We have given proof of this since we have been sitting in this house, for our motto is to vote for good measures and against those which are not in the best interest of our fellow-citizens.

Therefore, as I have said, we are supporting the amendment in order to find a logical, impartial and non partisan solution to the present conflict.

In my opinion, and I say it quite simply, neither the government nor the official opposition are totally right or totally wrong. Let me explain what I mean. Let us talk of democracy, since that is what is at stake. We have said that majority rule is the very basis

of democracy, and I hope that is accepted by everybody. Therefore, we can conclude forthwith that it is the party that has received the greatest number of votes that represents the majority, and that is the people's will. Thus, we can say that this government is a majority government by the will of the people.

Now, at the leaders level, the same government becomes suddenly a minority government, since they are now three against one, as compared to the majority received from the people. I believe this is the whole problem Mr. Speaker. The members of the opposition want democracy in this meeting, but would it not be the right time to ask ourselves if the composition of this assembly is not at variance with this same democracy?

The problem is so serious that we wonder which group is sinning the most against democracy. If it is the leaders group, in my opinion, that is where the remedy should be applied. The government house leader has been so untractable, that he has done like the surgeon who cut off his patient's head because there seemed to be something wrong with it.

Therefore, it is only natural that every member is protesting. I hope, Mr. Speaker, that the government house leader went further than be intended in his proposals, because I cannot conceive that a man, who calls himself a democrat, could honestly speak like that. It is with good reason that the opposition members clamour that democracy is dead, as this will happen very soon if the proposed rule 16-A is adopted.

However, the Prime Minister (Mr. Trudeau) left us yesterday with a glimpse of hope when he stated that his government remained willing to discuss the matter. Now, if the government is sincere, and truly eager to preserve democracy in this country, there is one logical thing it can do towards the suggested reform, and that is to invest the government with such authority as to enable it to discharge its responsibilities while guaranteeing the rights of the minorities. What about turning the present committee on procedure into the paramount instrument we need to direct the proceedings of the house? We would have, in that committee, as in any other standing committee, proportional representation with majority rule.

Ever since I have been here, Mr. Speaker, I have been aware of the fact that the meetings of the leaders, because of inadequate representation, have caused some fancy skating and disputes that have left the people bewildered. Let us stop once and for all these futile hagglings and let us tackle boldly the real problem and find a genuine solution, namely a leaders committee with proportional representation of all parties or, if we wish, a committee on the business of the house.

I am under the impression that by acting as he did the government leader wanted to accelerate the work of the house. I firmly believe that they are all ready to sit at the committee table and draft a new legislation which will give the government the necessary powers to use its majority mandate without undermining the rights of other members.

I was always told that a small peaceful settlement is better than all great wars. I am confident, Mr. Speaker, that every member is truly trying to find the reform which is needed. At Christmas time, let us show the country that we are men of goodwill, not only by our words, but also by our deeds.

• (5:50 p.m.)

[*English*]

Mr. Flemming: Mr. Speaker, I wonder whether it would be presumptuous to ask to call it six o'clock?

Mr. Macdonald (Rosedale): Perhaps we could call it six o'clock and make the five minute adjustment as we approach seven o'clock.

The Acting Speaker (Mr. Béchard): Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Lotbinière (Mr. Fortin)—Industry—Production in Canada of parts for new jet planes; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Consumer Affairs—Request that protection be included in the Criminal Code; the hon. member for Kenora-Rainy River (Mr. Reid)—Unidentified Flying Objects—Reported sightings over Sioux Lookout, Ont.

Motions for Papers

It being six o'clock, the house will now proceed to private members' business as listed on today's order paper, namely notices of motions (papers), private bills and public bills.

MOTIONS FOR PAPERS

AIR CANADA—REMOVAL OF WINNIPEG MAINTENANCE BASE

Mr. André Fortin (Lotbinière) moved:

That an Order of the House do issue for a copy of all extracts of the minutes of the Board of Directors of Air Canada concerning the move of the maintenance base from Winnipeg to Montreal and of all correspondence exchanged between the government and Air Canada in connection with this matter.

He said: Mr. Speaker, I have placed on the order paper a notice of motion for papers in order to know what were the issues discussed by the Board of Directors of Air Canada concerning the move of the maintenance base from Winnipeg to Montreal. Furthermore, in this notice of motion I asked for all correspondence exchanged between the government and Air Canada in connection of this matter.

The Minister of Transport (Mr. Hellyer) answered me yesterday that the tabling of such documents would create a precedent and would not be in line with government practice whereby Crown corporations are run in such a way that hon. members cannot inquire about their mode of operation.

Mr. Speaker, I fully realize that the subject matter of this motion is not at issue, that is, whether or not we should move the maintenance base from Winnipeg to Montreal or whether we should accept the offers that the federal government has just made to private companies with regard to the maintenance base. It is rather a question of discussing the opportunity of producing or tabling the documents to which I referred.

Mr. Speaker, if we take a closer look on the one hand at the administration of Crown corporations and their growing importance in the economic life of this country and, on the other hand, at the position of the Canadian government which refuses to produce information on the ground that it would be a precedent, I think that this is an obstacle to the efficient running of Crown corporations, since this house, in my opinion, has the right to know what is going on in the Crown corporations.

All members have been able to read the numerous questions I put on the order paper, regarding the administration of crown corporations, as well as the answers I received.

[The Acting Speaker (Mr. Béchard).]

As to notice of motion No. 50, dealing with a particular subject, the government considers it to be a matter of principle, as far as can be seen by the answer given to me by the hon. Minister of Transport when he said that these had always been considered as privileged papers.

Now, Mr. Speaker, if it is a question of principle, I agree, but let it be a true matter of principle. In that connection, I shall refer the house to the answer to question No. 53 which I had put on the order paper in order to learn how many senior civil servants were earning $17,000 and more at Polymer corporation—a crown corporation—whose turnover amounts to more than $5 million a year.

I was given the following answer, and I quote:

Polymer Corporation does not have any civil servants in its employ.

Mr. Speaker, they are playing upon words; they have civil servants since it is said further on:

The corporation would not wish to furnish the information requested as disclosure of the number of employees earning $17,000 and more—

—and are bilingual

—would not be in the best interests of the company.

Mr. Speaker, if the possibility for hon. members to get information about the crown corporations is to be made into a matter of principle, we should be old, but we should be given sensible answers.

If I had accepted yesterday the answer given by the Minister of Transport to the effect that such documents could not be tabled, I would have perpetuated the good old tradition according to which, when a member has received an answer, he remains in his seat as was the custom under the good old system which prevailed in Quebec when one was told: You, shut up. That is somewhat familiar and I cannot understand that such a system could prevail here. I think it is of basic importance, Mr. Speaker, for us to be able to get such information.

I spoke a while ago of the Polymer corporation; it is an extremely serious problem and it is exactly the same case as that of Air Canada, about which I intend to speak immediately.

Allow me, by way of degression, to refer to the Polymer corporation. Mr. Speaker, why would the Polymer corporation refuse to provide that information? There is absolutely no reason. If there is any, it would be the lack of bilingual officials which would be quite compromising for that famous policy on bilinguism which is still suppose to be applicable in the public service. This is why the information is not disclosed.

In the case of Air Canada, Mr. Speaker, they refuse to provide those documents on the grounds that it would affect the competitive power of crown corporation.

Mr. Speaker, I will say again that this argument is not valid, because the Canadian government, owing to the considerable number of crown corporations, has given them a privileged status, so that they compete unfairly, and I say that sincerely, with private enterprise.

Moreover, not only are crown corporations granted commercial, jurisdictional and legislative privileges which are not granted to private enterprise, not only are they favoured to the prejudice of private enterprise, but members of the house still cannot get information on them or, if they do, it is by bits and pieces and sometimes, the information is wrong. For example, I am thinking of the answer I was given by the Polymer corporation.

• (6:00 p.m.)

Mr. Speaker, I had also put question No. 724 on the order paper, which included nine items, wherein I inquired about the famous maintenance base in Winnipeg, and I shall quote part of it:

> Did the President of Air Canada send a letter during February, 1963, to his employees informing them of the transfer of the base?

We know that such a letter has been sent, Mr. Speaker, but we want an official reply. That question—and it can be checked—has been on the order paper for too long. Decisions are now being reached. Everybody is aware of that and I cannot get a reply to my question. In addition to that, they would like me to abstain from demanding the tabling of documents for my own information and for the information of the people of Canada.

Mr. Speaker, I think it is one of the privileges of hon. members on all sides of the house to be able to obtain information. I acknowledge that sometimes we may ask for information likely to jeopardize the security of the country, for instance. In such cases, Mr. Speaker, I agree with the government that it would be dangerous to give away such information.

In this case, the matter is of an administrative nature. And since we are both administrators and lawmakers, we must be fully aware of what is going on. In this case, we must know whether or not Air Canada officials sent a letter to those employed at the Winnipeg maintenance base, advising them of the possible transfer of that base to Montreal. We must also know, Mr. Speaker, if Air Canada has truly considered whether or not it was advisable to make such a transfer and whether or not it has looked into all other aspects of the matter. Moreover, we have to know, Mr. Speaker, whether the Canadian government made representations to Air Canada in order to force that agency to move its base or not. If the Canadian government were acting this way, it would create a precedent, enabling it from now on to twist all Crown corporations around its little finger. Yet the Secretary of State (Mr. Pelletier) who is here, did say the other day that he could not give any order to the C.B.C., another Crown corporation.

Such is the confusion in which we find ourselves now, and this is absolutely unacceptable.

Mr. Speaker, I think there is enormous work to do in the matter of relations between Crown corporations and parliament. We all recognize that certain information must be provided to members of parliament.

We may ask ourselves a great many questions Mr. Speaker, about this famous matter of Air Canada, but we must wait, indefinitely for answers. And by the time an answer appears to be forthcoming, we are told that this might create a precedent. That is indeed a fact because the honourable Minister of Transport said and I quote:

> Mr. Speaker, as all members of parliament will appreciate, this motion relates to correspondence that has always been claimed to be privileged, not public documents.

Mr. Speaker, whether or not we present a motion for papers on any matter or ask any information concerning Crown corporations, we will never be able to get what we are looking for.

The proof of that is that the Secretary of State (Mr. Pelletier) has been away for a month and a half. While we are scrambling to know whether the C.B.C. really has a policy as to the allotment of its broadcasting time between political or other movements,

we are unable to get such information. Although he had promised to give it, he now refuses to do so.

So what other means have the members of this house for calling those Crown corporations to account? Should one of those Crown corporations be guilty of some glaring injustice, how could they bring it to light? I have numerous cases in mind, but what is to be done? It is absolutely impossible to get the information we want.

I was told that, in the case of C.B.C., the Secretary of State said that it was impossible to supply such information and that besides, he had never promised it. And then, he only managed to say: The member does not know that I do not know.

Mr. Speaker, in this case I wish to get information from a Crown corporation, not necessarily to annoy the government but to better fulfil my role as administrator and legislator. If I am here merely to applaud everything the government and the crown corporations do, better do away with the notice of motions, with questions, with the right to speak. Besides, a good start has already been made in that direction if we cannot even obtain information.

Mr. Speaker, I fail to see how a precedent would be created by asking for information, since we are supposed to do so. This is no time to say: It cannot be done because it was not done in the past. It is a matter of knowing if it would be advisable to do it, and I think that in view of the examples I have mentioned from the C.B.C. and Air Canada, it would be advisable and even urgent to set up means of communications which would enable the crown corporations to give such information.

Mr. Speaker, I feel that the matter deserves consideration. In fact, it is of capital importance for hon. members in 1968, since the government has more and more control over the crown corporations. It is a well-known fact that the state operates today an important industrial, commercial and financial sector. It operates uranium mines through the Eldorado Mining and Refining Limited. It is one of the main rubber producers since it operates Polymer corporation. It operates also one of the most important railway systems of the country, the C.N.R.

The government owns also several highway transportation companies, which I will not mention, to avoid a digression.

[Mr. Fortin.]

My purpose is to discuss the advisability of tabling documents, and I want to bring out the importance of this principle.

The government operates the largest hotels of Canada, as everyone knows. The government is engaged in air transport, through Air Canada and Eldorado Aviation Limited. The government owns and operates one of the most important radio and television broadcasting networks, the Canadian Broadcasting Corporation.

I might also mention the operation of hydro-electric enterprises like Hydro-Quebec, Hydro-Ontario, and others.

The federal government is engaged in the mining industry and exports minerals. The Sequem corporation is an example of that. In short, Mr. Speaker, the state owns and operates a great number of commercial, industrial and financial enterprises. And the only information which is available to hon. members with regard to these companies is insignificant, like that supplied to me by Polymer corporation which I mentioned at the outset.

• (6:10 p.m.)

In the face of such government encroachments in the economic, financial, industrial and other fields, it becomes increasingly more difficult for hon. members to face up to that cumbersome administrative machinery and to get information. And when we put a notice of motion for papers as I did, it seems to me, Mr. Speaker, that it should be possible to issue a copy of all the minutes of the board of directors of Air Canada concerning the transfer of its maintenance base.

I think it is possible to give us at least a summary of these minutes. If this document is privileged, or if it is dangerous to supply this information, which I doubt, the government should establish a system for preparing a summary of these minutes to be given to the members for their information.

I think this request is reasonable and consideration should be given to the possibility of establishing such a system. I shall not accept the excuse that it would be impossible or dangerous to do so.

Mr. Speaker, meetings have been held, and the answer given by the minister proves it sufficiently. How would this endanger the security of the State? Can anybody explain that? There is no real danger; however, there have been some underhand dealings in this respect, and that is why I attach such importance to the matter.

I must point out that three reports have already been presented concerning this matter by the commissions of inquiry, Wallace Clarke, Dixon Spears Associates and Thompson. These three commissions came to the same conclusion that the government would lose money with the Winnipeg base as long as it stayed there. Furthermore, the president of Air Canada sent a letter to Winnipeg in 1967 announcing that this transfer would take place. However, that was more than 11 years ago and nothing has taken place yet. Therefore, there is political interference in this matter and this is what I am trying to find out, not for the purpose of exposing a scandal but to ensure a healthy, normal and fair administration. Moreover, I consider this a matter of principle, so that in future, crown corporations will report through their representatives in the house, and the members of the house will then obtain information.

Mr. Speaker, I do not want to speak much longer. I would like to conclude and give other members the opportunity of expressing their views on the matter. I think it is fundamental that we should change our mentality, that we should change, if you like, our views on crown corporations. If the state wants to go into business, if it wants to launch out into industry, if it wants to bluff financially, it will have to be on equal terms with private enterprises. That is why I placed Bill No. C-115 on the order paper. I know that the government will probably kill it, without having any bad intentions, because it wants to maintain its crown corporations. But, if it wants to keep them, they must really be answerable to the crown, to a minister.

I do not agree with the attitude adopted by the hon. Secretary of State the other day when he told me that the C.B.C. was not answerable to him and that it was independent. The right hon. Prime Minister replied the same thing, which makes me think that there are irresponsible men in government if we cannot obtain information on crown companies which, as I said before, are very numerous.

Mr. Speaker, I insist—and I want to make my point—that the Canadian government should supply the information requested in that notice of motion for production of papers, in order that we might know exactly what happened and what is now going on with regard to the famous Air-Canada overhaul base at Winnipeg. I feel that we are entitled to know. This would not be creating a precedent, not interfering with the security of the state, nor would it be prejudicial to the companies. On the contrary, it would be prejudicial to public opinion to refuse information which the opposition has the right to know and the government has the duty to provide.

[*English*]

Mr. H. E. Stafford (Elgin): It is obvious Mr. Speaker, that the government should give to parliament the fullest available information possible on any question brought before this house by hon. members. Parliament must be in possession of such information as it requires in order to arrive at the best possible conclusion. This often includes the production of documents and papers, the disclosure of which is necessary for a proper understanding of the matter before the house. But such disclosure has its limitations in the public interest. It is almost too basic for repetition to say that there are many communications and documents of such a confidential character that, in the public interest, should properly be withheld from publication. This motion calls for more than the resumé mentioned by the hon. member. It calls for a copy of all extracts of the minutes of the board of directors of Air Canada concerning the move of the maintenance base from Winnipeg to Montreal, and of all correspondence exchanged between the government and Air Canada in connection with this matter.

This would mean that the minutes of meetings of boards of directors of crown corporations would be considered public documents. The competitive nature of the business of Air Canada and other crown corporations, such as Canadian National Railways, would be endangered. In short, a dangerous precedent would be created. So far as correspondence is concerned, it could mean that any opinion given the minister or any interoffice communication would be public knowledge. Such items, prepared for the minister's information only, have always been privileged. They are so obviously privileged that such a motion as this requires no debate. It is almost too elementary to discuss the ramifications that such a motion, if passed, would bring about.

Passage of this motion would stifle freedom of expression and would deprive the minister of the benefit he now enjoys of receiving voluntary and varied opinions on the many problems before him. Public servants are very frank amongst themselves and are equally frank with the ministers. If their opinions on contentious issues are to be made

public, then the public servants of this nation will have great reluctance in giving any minister their honest, reasoned and valued opinions. The purpose of privileged communications is very clear. It means that such communications cannot be made public. We must encourage officials to speak frankly and openly; we must not muzzle them with the passage of this motion.

I am not going to waste the time of this house by speaking for the retention of such an obviously clear and compelling privilege. There are dozens of precedents throughout *Hansard* to uphold my position. Unless there is to be a breakdown in administration, this motion must be defeated, and the hon. member for Lotbinière (Mr. Fortin) knows it.

The Acting Speaker (Mr. Béchard): Is the house ready for the question? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Béchard): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Béchard): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Béchard): Pursuant to section 7 of standing order 66, the vote is postponed until eight o'clock this day.

Mr. Peters: Mr. Speaker, since this completes the business under this section, would it not be in order to ask that we adjourn for supper?

Mr. Forest: No, I think we should go to the next item of business, namely private bills.

The Acting Speaker (Mr. Béchard): There is no unanimous consent.

• (6:20 p.m.)

PRIVATE BILL

THE HURON AND ERIE MORTGAGE CORPORATION

Mr. Gordon Blair (Grenville-Carleton) moved the second reading of Bill S-7, respecting The Huron and Erie Mortgage Corporation.

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade and economic affairs.

[Mr. Stafford.]

Mr. Forest: Mr. Speaker, in view of the progress we have made now I wonder whether there would be unanimous consent to adjourn the house till eight o'clock.

The Acting Speaker (Mr. Béchard): Does the house agree?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): It being around seven o'clock this house stands adjourned till eight o'clock.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

MOTION FOR PAPERS

AIR CANADA—REMOVAL OF WINNIPEG MAINTENANCE BASE

Mr. Speaker: Order, please. Pursuant to section 7 of standing order 6 it is my duty to ask the house to revert to private members business for the taking of the vote which was postponed earlier this evening.

The house divided on the motion (Mr. Fortin) which was negatived on the following division.

• (8:10 p.m.)

YEAS

Messrs:

Beaudoin
Benjamin
Burton
Dionne
Fortin
Gauthier
Gilbert
Godin
Harding
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Lewis
MacInnis (Mrs.) (Vancouver-Kingsway)
Orlikow
Rodrigue
Rondeau
Tétrault
Thomson (Battleford-Kindersley)—19.

NAYS

Messrs:

Alexander
Allmand
Anderson
Badanai
Baldwin
Barrett
Basford
Béchard
Bell
Blair
Borrie
Boulanger
Breau
Caccia
Cadieu (Meadow-Lake)
Cadieux (Labelle)
Cafik
Carter
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Crossman
Crouse
Cullen

Danson	McIntosh
Davis	McKinley
Deachman	McQuaid
Deakon	Mahoney
Dinsdale	Major
Douglas	Marshall
Drury	Mongrain
Durante	Monteith
Fairweather	Morison
Flemming	Murphy
Forest	Noël
Forrestall	O'Connell
Foster	Olson
Francis	Otto
Gendron	Ouellet
Gibson	Peddle
Gillespie	Pelletier
Givens	Penner
Gray	Pepin
Groos	Perrault
Guay (St. Boniface)	Pilon
Guilbault	Portelance
Haidasz	Reid
Hales	Richardson
Hees	Ritchie
Hogarth	Rochon
Honey	Roy (Timmins)
Hopkins	Roy (Laval)
Howard (Okanagan Boundary)	Rynard
	Schumacher
Howe	Scott
Hymmen	Serré
Jerome	Sharp
Kierans	Simpson
Knowles (Norfolk-Haldimand)	Smith (Saint-Jean)
	Stafford
Lambert (Edmonton West)	Stanfield
	Stewart (Cochrane)
La Salle	Stewart (Marquette)
Legault	Sullivan
Lessard (LaSalle)	Thomas (Maisonneuve)
Lind	Thomas (Moncton)
Loiselle	Turner (London East)
Lundrigan	Valade
MacDonald (Egmont)	Wahn
Macdonald (Rosedale)	Walker
MacEwan	Watson
MacGuigan	Weatherhead
MacInnis (Cape Breton-East Richmond)	Whelan
	Whicher
Macquarrie	Whiting
McCleave	Winch
McCutcheon	Woolliams
McGrath	Yanakis—130.

• (8:20 p.m.)

Mr. Speaker: I declare the motion lost.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in, and the amendment thereto of Mr. Stanfield. (p. 3762).

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, speaking in general terms the motion before the house is one which some people might think was somewhat innocent, and might not deserve a great deal of consideration. But when a motion is made for concurrence in the report of a committee, generally speaking that calls for an examination of the report itself. So we have before us a motion by the chairman of the special committee, the hon. member for Grenville-Carleton (Mr. Blair), that we concur in the report of that committee, thus bringing about an examination of what is in that report. That is exactly what I propose to do in the few minutes at my disposal.

I say it seems as though this is a simple motion, but it is not. It is a very dangerous motion to pass, because it threatens the very life of this parliament.

Some hon. Members: Hear, hear.

Mr. Flemming: Indeed it removes safeguards vital to every Canadian. It jeopardizes the well-being of every man, woman and child in Canada; that is what it does. And, Mr. Speaker, I propose to prove those words to the satisfaction of anyone whose eyes are not clouded by political bias. Apparently the government has predetermined closure at its disposal, and the veto power is placed in the hands of the government house leader by the report of the special committee. There is not any doubt about that whatsoever, and it concerns every piece of legislation which may be brought before this house.

The Prime Minister (Mr. Trudeau) implied in his speech of two nights ago that there comes a time when discussion should cease and decisions be made. We agree with that, Mr. Speaker, but the time for decision is not before there is any debate.

Some hon. Members: Hear, hear.

Mr. Flemming: I wonder what the desk thumpers opposite think of that.

In the course of a very brilliant address, an address with which no one could help being impressed, my leader moved an amendment. It is very appropriate and proper that we examine that amendment, which reads:

> That the fourth report of the special committee on procedure of the house be not now concurred in but referred back to the committee with instructions that it have power to recommend that proposed standing order 16-A be amended to provide that a motion to accept the decision of the proceedings committee shall only be made following the unanimous decision of the proceedings committee arrived at during a meeting properly convened upon adequate written notice.

I say to you, Mr. Speaker, and to everyone within sound of my voice that that is a very reasonable amendment, because it says that unless there is unanimous decision the house should not accept a motion of the committee. This is the only part of the committee's report that is dealt with in this amendment. Personally, I propose to have somewhat extended remarks to make later about other matters, because I attach great importance to the right of the house to examine, criticize and suggest changes in the voting of money, a right that is as old as the parliamentary institution itself.

But to return to the trend of my remarks concerning legislation, I submit, Mr. Speaker, that it is a bit unusual to have complete unanimity among the three opposition parties. This means that every one of those parties, and its leader, has examined the situation and it has been agreed between them that there are points in the report of the committee which they cannot accept. This is embodied in the amendment because it is the only amendment that has been moved. Generally speaking there is a subamendment, but not at this time. So, I say that is unusual. The very fact that this unanimity exists here tonight should appeal to every member of the house, because after all what we are here for is to legislate and vote and speak in the interests of the people of Canada. We are here for something more than pounding desks. There is no question about that.

An hon. Member: Don't criticize your own party.

Mr. Flemming: You still hold the record. You are the champions at that.

Let us examine the record of what exactly is the difference between the opposition parties, combined, and the government. First I am going to quote the words of the chairman of the committee when he inroduced the motion because he mentioned certain things about the committee's report. Then, we listened this afternoon to a dissertation of half-truths which implied that the opposition was against the legislation making progress. Nothing could be further from the truth and certainly the chairman of the committee did not say so. As reported at page 3750 of *Hansard*, he said:

• (8:30 p.m.)

At the end, despite its best efforts the committee had to agree to disagree on what appear to me to be only two or three issues at the most. The suggestion that was made in some quarters of the press that the committee broke up in violent disagreement is entirely false and does a great disservice to all members of the committee and also, I suggest, to all members of this house.

So I suggest that the chairman of the committee have a word with the hon. member for Vancouver-Quadra (Mr. Deachman) and set him right, because he certainly needs to be set right.

Some hon. Members: Hear, hear.

Mr. Flemming: I wish now to refer to and emphasize this question of unanimity, and the importance of it, because in my opinion it is the very crux of the whole argument. The government house leader, as a member of the proceedings committee, actually will have a veto power over that committee, because all he will have to do is disagree. So he disagrees and there is a lack of agreement. The other three house leaders may agree, but that will make no difference. All the Liberal house leader need do is disagree with them and then there is a lack of agreement. Subsequent to the committee meeting he will be able to put on another cap, the cap of leader in this house and not the Liberal leader. He will be in a position to say to this parliament how much time will be spent debating legislation. I submit that that is an arbitrary use of power and that no self respecting parliament could ever consent to it.

Some hon. Members: Hear, hear.

Mr. Flemming: By virtue of that power, however, he could limit the debate on every item of legislation at every stage. I ask my friends opposite and my friends everywhere for that matter, has he ever said what he will do about the debate on the omnibus amendments to the Criminal Code; has he ever said how much time will be allocated for that? Everyone within the sound of my voice is aware that disagreeable things will be contained in that omnibus bill—and "disagreeable" is a very mild word, in the opinion of many people in this country. There is no question about that. Has he said how much time will be allocated to that debate? I suggest he has not. Those who support the government think that because they have the voting power, they will carry the motion for concurrence; and I do not presume for one moment that anything I say will change their minds.

If this resolution passes and the report of the committee is accepted I say that the ordinary member of this house will become a puppet, to be moved at the end of a string by the Liberal house leader and, judging from some of their remarks, that is all some Liberal members are capable of being. So I ask, what about minority rights? They simply become non-existent. We have heard a good deal about minority rights, but under this legislation they would go out of existence. So the Liberal house leader can disagree, and his disagreement will have more influence than the other three house leaders combined.

I say that this motion deserves a label. It should be labelled a motion to muzzle parliament, a motion to remove freedom of speech, or a motion to remove the liberty of the subject; because you cannot take away the rights of the people's representatives without taking away the liberty of the people themselves. There is no question about that.

We are told that this is a very mild and inoffensive sort of report. Let us read what some independent people say about it. They are the people I like to consult—people who have no political prejudice. So we will look at the Montreal *Gazette* of yesterday morning.

Some hon. Members: Oh, oh.

Mr. Flemming: The article to which I should like to refer is written by Mr. Arthur Blakely, a distinguished journalist and a member of our own press gallery. Let us examine what Mr. Blakely has to say. How does he label the proposal; how does he refer to the motion now before us? I will tell you.

An hon. Member: We know.

Mr. Flemming: Whether you listen or not I am going to tell you. He said:

> Government and opposition forces clashed head-on in the Commons yesterday over the Trudeau government's demand—

"Demand", Mr. Speaker.

> —for unprecedented, omnibus closure powers to control proceedings in the House of Commons.

Hon. members can read that for themselves—unprecedented, never happened before; omnibus, all embracing, closure. That is what it means. They are going to control the members of this house, according to Mr. Blakely.

But that is not the only thing. I have another quotation from the same paper and by the same author:

> Unlike his predecessors, the logical Mr. Trudeau has pursued the theory to its logical conclusion by demanding powers for which none of his predecessors dared ask, which would give the cabinet complete control of parliament and its deliberations and reduce almost to a nullity parliament's traditional but already-tenuous control of the nation's purse strings.

Those are the words of Mr. Blakely as they appear at page 7 of the *Gazette* for Wednesday, December 11. Let us now refer to an article which hon. members opposite might like a little better because it appears in the Toronto *Globe and Mail* of December 12, 1968, which newspaper generally speaking has supported this government. I cannot understand why, I will never be able to understand the reason. Let us see the words that appear in this independent opinion:

> Nothing is more fundamental to democracy than the belief that society is composed of reasonable men.

Then about half way down the first column the article continues:

> We question the strength with which members of the federal Government hold a belief in the reasonableness of their fellow man. House Leader Donald Macdonald, who has been given the job of reforming the procedural rules of the House of Commons, has insisted that proposed reforms include rules that would in effect provide closure in advance of debate.

This is what appears in the *Globe and Mail.* Then, further down on the page we find this:

> They—

"They" meaning the opposition parties.

> —will not go along with the government plan that, in cases of disagreement, a cabinet minister may make a motion in the house suggesting a limit and, after a maximum of two hours of debate, the motion be put to a vote.

Can anyone blame us. When there is disagreement and it is not unanimous, then he will come in and move that the question be put, there will be two hours debate, and then away it goes.

• (8:40 p.m.)

Let me quote further:

> Considering the Liberal majority, the result would never be in doubt. The government could arbitrarily limit debate before a word was spoken and before the strength of opposing arguments could be heard and assessed throughout the land.
>
> This is closure in advance. We opposed it when former trade and commerce minister C. D. Howe tried to impose it in the pipe line debate of 1956. We oppose it even more strongly now.

I say to the government that it had better recall what happened, because that government was out of office within a year. It did

not in my opinion go out of office because of the pipe line; it went out of office because it imposed closure before there was any debate to speak of. That is the reason it went out of office. The article then states:—

The pipe line bill was on the order paper. On May 14, 1956, Mr. Howe closed his introductory speech with the announcement that he would move the following day for closure. He did, the Liberal majority passed the motion and debate on the first stage of the bill was cut off at one o'clock on the morning of May 16. This newspaper condemned the action in words that still apply: "Closure in advance of debate and the silencing of the committee of the whole before its deliberations began are an insulting defiance of every elector who cast a Liberal vote in the late general election."

This applied then and it applies now. The article goes on to say:

"What the country has seen is a dictator's revolution, engineered by one minister, but acquiesced in by all, as no cabinet voice has been raised against it."

Down at the bottom of the editorial we find these words:

What constitutes ample debate cannot in every instance be determined in advance.

Every reasonable man agrees with those words, there is no question about that. The article states:

Those who believe it can, and that they must have the power to determine it, deny the proposition that reasonable men occupy the benches of the opposition.

I submit that reasonable men do occupy the benches of the opposition but, as I said a few minutes ago, I do not expect to convince anyone opposite or the overflow by these remarks. They are supporting the minister and they are going to continue to do so. They have probably—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but I should like to bring to the attention of hon. members that there are discussions taking place which make it very difficult for the Chair to follow the hon. member.

Some hon. Members: Hear, hear.

Mr. Flemming: Thank you, Mr. Speaker. That is helpful to me as well; but as far as I am concerned, they do not bother me. The Prime Minister and the government hold the house in the palms of their hands. No doubt hon. members have been polled, and very likely they have been told.

Let me refer to Mr. Page, another independent authority on parliamentary procedure, who writes in the *Canadian Journal of Economics and Political Science*. He has made a study of the subject now before us, and while this is general in its application I think it is important enough to be included as part of my remarks. He says at page 31 of this issue:

[Mr. Flemming.]

Impatient reformers have demanded prompt and extensive changes, but there are good reasons for the slow implementation of procedural reforms. The fundamental problem is to find the correct balance between the time and means needed by the government to carry out its business and the preservation of free, full, and productive debate in the House of Commons.

Everyone knows that is true, and we acknowledge this. There is no difference among us in this regard. On page 32 he goes on to say:

When the government attempts to institute its own rule changes, as it did in May, 1965—

It is doing so today through this motion.

—the opposition feels that its rights are being impeded while the government secures for itself the means of perpetuating its term of office by offering efficient government obtained through muzzling the opposition, thereby destroying parliamentary democracy. The opposition points out that lengthy debates, such as the flag or the Canada Pension debates, produced valuable compromises in the legislation which would not have been implemented if the government had tyrannical powers. The opposition naturally holds that any rule change might allow the government to conceal faulty legislation or shoddy administration and hinder the opposition's scrutiny.

There is no question about that. He likewise says at page 33:

The object of reforms must be carefully evaluated before speedy means are used to alter the principal functions of parliament, an action which would make it a truncated and perfunctory part of our governmental system. The problems of or obstacles to procedural reform are surmountable and parliamentarians are convinced of the usefulness of proposed changes.

These are the opinions of a man who has made a study of our parliamentary system here in Ottawa. While they are moderate in tone, I consider that a deep-rooted consideration would force the chairman of the committee to ask that this be referred back to the committee. There should be no question about that.

I think we should ask ourselves these questions. Why does the government ask for such powers, and what is behind this? We have had brilliant addresses during this debate, including the brilliant address of the hon. member for Winnipeg North Centre (Mr. Knowles), the brilliant address of my leader, the brilliant address by the hon. member for York South, and brilliant addresses today. I am not referring to my own.

Yesterday when the hon. member for York South referred to this matter he expressed the opinion that when power is sought it will be used. The use of this power would make the Liberal house leader a virtual dictator. It gives him complete power over this parliament.

We must examine the question as to what type of things the government wants to introduce, and whether they are in the interests of the country or are desirable. We must consider whether they will improve parliamentary procedure. When they do, we have no objections, but these are the things that the committee on procedure intends to determine by consultation. The proposed amendment would indicate that we are for improvement, but what about those things that might not be improvements but are sought by the government? What about those things that are bad? What about those things that might even be interpreted as being evil?

Does this parliament not want protection? I am not referring particularly to this government, but to any government that may be in office. Should one surrender the protection which we have at the present time and give an absolute veto power to the leader of any administration? If that is the wish, then undoubtedly this motion will pass. If it is not, the amendment will be passed and the motion will be lost.

I submit to you in all seriousness and with all the conviction with which I am capable that we cannot afford to take a chance. I have listened many times to the government house leader since I have been here in the house. He is a good interrupter and he is quite well suited for the vocal cut and thrust and retaliation of House of Commons debate.

• (8:50 p.m.)

Personally I consider that he is all right, but as I watch him operate and see him in action I am convinced that his devotion to partisan advantage is so great that I am reminded of the words of Shakespeare in the play "Julius Casear". When Julius Caesar asked for almost unlimited power he was told, by a character in the play, in the words put into his mouth by the bard of Avon:

> How oft the power to do ill deeds
> Makes ill deeds done.

Possibly ill deeds will not follow the passing of this report of the committee but, as I said, we cannot afford to take the chance.

In all seriousness I put to the government house leader the following question: Does he want to take responsibility for automatic closure in the absence of unanimous consent from the proceedings committee, without having his colleagues share it with him? Does he wish to go down in history as the lord high executioner who was responsible for the death of parliament? That is a good question for him to answer. I do not think he does. Let us take an example. What would the government house leader have done in the following instance when a few days ago a committee report came to this house with a motion which took place completely ignored? Subsequently, a motion was made on a question of privilege to refer it to a second committee and you, sir, saved the day by ruling it in order, so that now it is before a committee. What would the government house leader have done that day, had he been in complete control? This is a good question for him to answer, but not now.

Mr. Lambert (Edmonton West): He said the proceedings were illegal.

Mr. Flemming: I wonder what would have happened if he had been inclined to disagree. I am sure the government house leader will understand those of us who, looking back three centuries, realize how right Shakespeare, that great judge of human nature was when he said those wise words which I quoted a moment ago. The house cannot afford to take that chance.

Now I wish to deal with the question of estimates. There has been much talk about parliament being an old fuddy-duddy institution. I do not agree with such a contention. First, the government brings in the speech from the throne their program, in general terms, of the things which they think they want to accomplish in the interests of the people. A debate follows, in which everyone in the house has a chance to take part and to make suggestions to the government of the day on things they think have to be added, or things with which they disagree. Then the government introduces the budget, which indicates to parliament how they are going to raise the money and in what places and on what things they are going to spend it. Subsequent to that we have a budget debate, and then we have the detailed resolutions.

Although I do not oppose the general idea of sending estimates to a committee because, in my opinion the purpose in doing so is so that the committee may examine the deputy ministers, the departmental officials and even the public, from whom they get certain ideas

of what is best for the public good, it is my opinion that the committee room is not the proper place for a public debate. The chamber does not lend itself to public debate, and so when the suggestion is made that one-third of the estimates or even a smaller percentage of them come back to the house to be debated here—those estimates to be chosen by the opposition—for a period to be agreed upon among the leaders, we think it is vital that it be accepted. The power to tax has been one of the prerogatives that the people's representatives have fought and died for, and the imposition of undue burdens of taxation upon people has resulted in some monarchs losing their heads. Yet we are going to do away with it, as though it amounted to nothing.

Some hon. Members: Hear, hear.

Mr. Flemming: Even in the United States Congress, where it is said the committees have more power than our committees have, estimates must come back to Congress for final approval. It is the taxpayers, those who are really responsible for finding the money, who are the important people.

I suggest that there is a remote likelihood that our suggestion will be re-examined by the government. However, they should concede that this is a point with which surely no government can disagree, when the members of this assembly ask that they be allowed a final look at the estimates of a limited number of departments, possibly over a limited amount of time.

I have practically exhausted all the points I wished to make. However I wish to go back to what I said in the preamble of my remarks, that I do not think the motion to adopt all the committee's recommendations in one vote, holus-bolus, take it all and swallow it, is proper or right. In fact I think it is premature. We have not yet tried a partial change. Everyone agrees that we want to do things a little differently, but we cannot afford to give up those rights which have come down to us through the years, rights for which people have fought and died.

Many people within sound of my voice in this chamber have fought in foreign wars to preserve the freedom of the individual. I repeat that in my opinion this is the most important step. I do not think that the government is giving it proper consideration and I do not think that the members of the house have considered it sufficiently. I think the government is going too far, all in one jump. This is too much. The government in my view should consent to a more moderate change and, having instituted a moderate change, see how it works.

The young man who wrote this booklet said that reformers very often defeated their own ends by putting their plans into operation before they should be implemented.

• (9:00 p.m.)

Mr. J. A. Jerome (Sudbury): May I begin my participation in this debate, Mr. Speaker, by saying what an honour it was for me, as a new member in this chamber, to be appointed to this special committee dealing with and recommending changes in the procedures of this house. It is perhaps significant that in one sense I, alone, represented the new members. I say that advisedly, because although I was joined as a new member of that committee by the hon. member for Grenville-Carleton (Mr. Blair), we all know that his vast experience in the workings of the committees of this house during the years that he practised law in the city of Ottawa make it difficult to regard him as a new member in this chamber. Certainly the manner in which he chaired that committee and carried out these difficult duties confirmed that opinion, I am sure, in the minds of all members of that committee. I was honoured especially, Mr. Speaker, when I saw the membership which made up that committee, from both sides of the house. The members who were assigned, by my own party as well as by opposition parties, and who participated so vigorously in the proceedings of the committee, in my opinion, indeed made an impressive list.

Conscious as I am of the honour that was bestowed upon me of being a member of that committee, I am equally conscious of the duty which was imposed on me of examining most thoroughly the purposes of this parliament and of its traditions, in order that I may pay proper respect to all these procedures which have served this parliament in a proper fashion. At the same time I felt I had a very important and serious duty to examine critically all of these procedures, all of the traditions and institutions that go with them, with a willingness and even a desire to disregard or dispose of those which had ceased to be functional; to replace them with new and more meaningful procedures which would better serve the members of this house in the conduct of their business and the deliberations in this chamber.

During the debate on this report I have found some confusing references, Mr. Speaker, by those illustrious members of the opposition benches who participated in the debate. I hope to make reference to them later in my remarks. Nevertheless may I say that my confusion grew as I listened to the remarks of the last speaker for the opposition, and placed them against the background of some of the records I have had occasion to examine during his tenure of office as premier of New Brunswick. In that context I should like to refer to a statement that appears in the Synoptic Report of the proceedings of the Legislative Assembly of New Brunswick, page 620, volume 1, where the Hon. Mr. Flemming is reported as saying:

> Once again the time of this legislative assembly is being taken up with a third attempt to express non-confidence in the government and, in fact, to endeavour to usurp the functions of the government through action of this kind.
>
> On two previous occasions, I have expressed the government's views on the matter and the reasons why I have opposed previous motions for leave. The position has not changed at all in this connection.
>
> On September 22, 1952 and again on June 18, 1956, the government was clothed with the necessary responsibility and authority to introduce legislation and to guide it through the necessary legislative changes thereafter.
>
> Such responsibility and authority was not given to any other party and political group so that the attempt to usurp and assume the functions of the government in this connection is plainly in defiance of the popular mandate and of what is understood as constituting responsible government.

Again, I should like to quote from volume 2, page 703, where the same hon. member is reported as saying:

> That's right, we are not ruled by the minority.

Is it any wonder, Mr. Speaker, that a new member coming into this chamber faces his duties with some sense of confusion about the attitudes expressed by hon. members opposite? I should like to cite another example, that of the leader of our party, the right hon. Prime Minister (Mr. Trudeau). Reference has been made from the opposition benches to statements of his at a time when, it has been said correctly, he was not a supporter of this party. I hold him up as an example of the kind of thing honourable Canadian citizens should do when they feel, as I am sure he does, that if one is to contribute meaningfully to the deliberations of this chamber, then one does not stand aside and criticize it from the outside. The thing to do is to come here and make a contribution to its improvement, to its change, so that it can become and continue to be a powerful force in the government of this country, as it must be if it is to survive.

The challenge to democracy, and to all these institutions at the present time, is the same challenge that is facing many of our institutions in this day and age. It has been seen so graphically that the church in today's society is facing a desperate challenge because it has seemed to fall out of touch with the needs of the people. One sees the church scrambling, trying to catch up. The university students are a group who, in their endeavours at college, might from time to time get carried away with their celebrations and their hazings. What do we find today in their attitudes toward these institutions? There is disrespect for the failure of these institutions to keep pace with the growing needs of young people in our country.

I say that this institution of parliament is not exempt from that kind of attitude on the part of the young people of our country. If we do not change our ways and expedite our procedures in this chamber in order to keep pace with the needs of the youth of our country then we, too, are going to fall into disrespect, to merit their distrust, and this institution will suffer interminably for that. What particularly surprised me was the constant reference, and perhaps it is a good example, to the parliament of the United Kingdom. It seems that the general trend amongst members on both sides of the house is to accept the mother of parliaments as an example. Is it not surprising, when one examines the facts, to find that not one but at least five different methods of closure lie in the hands of the government of the United Kingdom? All of them are invoked on a regular basis. Is it not surprising to find that debates in the United Kingdom parliament are almost invariably of one day's duration, on some occasions two and on rare occasions three? Is it not interesting also to find that private members hour has been lost entirely in that parliament, because of the increasing work load? Is it not surprising also to find the practice of using ministerial orders as appendages to legislation which give the cabinet unbridled power? These annexations to legislation or corollaries to legislation are increasingly used without intervention of parliament, simply because the work load of this parliament has become so great.

If this chamber is not prepared to face its responsibility, and in fact to program its legislation at this time, then in the same manner the privileges of the members on all sides of the house are going to be eroded. They will

have to give way to the increasing work load until they disappear and lose their relevance altogether. In the light of this background, how should we move to improve our procedures? Really, there are only two areas of disagreement. The committee has worked long and hard. It has made good use of the precedents and practices in other parliaments. It has presented a report to this house, which report we are debating today. Most of the recommendations are acceptable, but there are two areas of controversy, namely the additional responsibilities being given to standing committees, and the programming of legislation in the house.

• (9:10 p.m.)

Dealing firstly with the question of standing committees, it seems to me that hon. members opposite are missing the point. They are complaining, for example, that by referring the estimates of the departments to the standing committees the government is attempting to take away from this chamber the responsibility and power it now has in the spending of the nation's money. What is really so startling about this claim is that they miss entirely the relocation of time that is involved, this new relationship between the studying of the estimates and their timing.

As it is now, I am sure all hon. members will agree that whatever study of the estimates is done in this chamber—and, as has been said before, there is a tendency to make speeches here rather than to study estimates—this study is always done ex post facto. The money is not only budgeted for but in most cases the estimates are considered in this house long after the fact.

An important thing to consider in referring these estimates to the standing committees under the proposed rules changes is that members not only have an opportunity in the committees to get a close observation and examination of the estimates, but they can do this at a time when it is meaningful. This is the point that seems to be entirely missed by hon. members opposite.

Neither can I understand their complaint that there is any loss of the power of this chamber. Under the proposed amendments to the rules the opposition is given an allotted number of days, any of which it can, upon the return of these estimates from the standing committees, set aside to examine the estimates in this chamber if it so desires. One must also point out that those 25 allotted days, plus three reserved for the examination of the final supplementary estimates—making 28 days in all—can be augmented further by the use of any of the eight days that are allotted to the throne speech debate, or any of the six days that are allotted to the budget—making in all a further 14 days—that are not used up for those purposes.

On all of these days the opposition can completely control the subject matter of debate in this house. So there is no substantial diminution of the days they are allotted under the supply procedure at the present time. Therefore the opposition loses no power or opportunity to insist that this chamber examine estimates in detail. Moreover, when the estimates are considered in the chamber, they will first have been attacked in a standing committee.

So it will be seen, Mr. Speaker, that the opportunity of the opposition to examine estimates in detail in the standing committees is provided, plus the opportunity, if they so desire, to bring the estimates back to the house in order to focus the attention of the chamber upon them. Now, then, can the opposition complain that this chamber is being deprived of the power that it should possess in respect to the expenditures of the nation?

The most interesting area of all has become that of programming. It seems to me that there are certain basic points involved here. In the first place, it is obvious to me as a new member that reforms of this sort toward programming are necessary. I do not have to turn to the traditions of parliament, or to the examples of other legislative assemblies throughout the world, to support that statement. I go no further back than September and October of this year, when we sat around here for three weeks listening to a small number of opposition members speaking time and time again on the same subject of farm legislation. I understand from actual count that one opposition member spoke no less than 12 times in a repetitive fashion on that very subject. Not only did these members individually repeat their own remarks and suggestions to the government every time they spoke, but one member after the other stood in his place to repeat what others had said. Surely, Mr. Speaker, it cannot be suggested, even taking into account my unpractised eye, that quality of debate improves in proportion to its length.

I was astounded to hear the hon. member for York South (Mr. Lewis) actually make reference to the length of the flag debate in supporting his proposition that debate in this house should be unbridled, because, as we all

know, that is a far, far cry from the position that he took during the currency of that very debate. As a new member I am not afraid to say that the length of time spent in this house on the farm legislation was absolutely disproportionate to its importance; to its importance, that is, in relation to other matters of legislation that are waiting to get the attention of this chamber.

Therefore, Mr. Speaker, it is necessary that our procedures change. Not only is it necessary, but apparently in the minds of opposition members it is highly desirable. Certainly the hon. member for Winnipeg North Centre (Mr. Knowles) stood on his feet to say that he has been a proponent of this programming idea for years, and in fact has called it "calendarizing" the parliamentary year.

Although it is necessary and desirable to change, the point that seems to be missed is that it is the responsibility of the government to take this step. If there is any doubt about this, then would hon. members opposite answer me this: When they go home for the Christmas vacation and are asked, by chance, why this house did not get around to considering, for example, the drug bill, is it possible that they might say to some of their constituents: "Well, you must understand that it is the opposition benches that control length of debate, so it is really not fair to blame the government for its lack of programming in bringing that legislation forward, because we in the opposition prolonged the debate on the farm legislation to the extent that the government did not have the chance"? If they do so, then I accede to their view that responsibility should rest on that side of the house in the matter of controlling time. But it is a false premise to believe that supporters of the opposition will be as generous as I have suggested. What they will do is blame the government for not knowing how to program their legislation. They will claim the government is disorganized and cannot bring forward important legislation; that the government does not know how to plan its affairs.

The government is visited with this awesome responsibility. If it does not take the action suggested in this report, there may not be a parliament left when next we seek to elect a new government. This government is considered by all Canadian voters to have the responsibility of taking this step, and the government is taking this perfectly correct step in moving directly and vigorously, and in a meaningful way, into the area of programming.

Too often we have seen reforms that are obsolete by the time they are introduced. Too often have we seen changes that are away behind the fact and the need. These proposals, as I see them, are not. They constitute a very meaningful and direct step, what I consider to be a courageous step taken by the government, one that I have absolutely no hesitation in transmitting to my constituents as an intention to stop pussy-footing around with the question of programming, and to deal with it in a logical and sensible way.

Given those facts, if you will, what, then, are the true logistics? Let us stop reducing this thing to ridicule, to one of one-man meetings. What are the logistics of setting up a programming committee? The very first consideration that comes to my mind is that in setting up a programming committee the government immediately sacrifices its majority position in the house, if its meetings are to be attended only by the house leaders. If there is anything more fundamental to our parliamentary system than that the government should enjoy a majority in the house at every point in its deliberations, then I do not know what it is. If the government sets up a business committee, which all members agree is a good idea, it will have only 25 per cent of the representation on that committee.

• (9:20 p.m.)

When one moves on from there to examine what must be done in the light of that consideration to resolve the difficulty that arises when that committee cannot agree or come to a unanimous decision, he must bear this representation factor in mind. If, as has been stated I believe, by the hon. member for Winnipeg North Centre, the decisions of that committee are reached by a majority of the four house leaders, then what in fact has taken place is that the government has now completely transferred to the opposition control over the time of the house. It has taken a position as one member of a committee of four, and consequently surrendered itself. If the majority of three opposition members say, "That is the way we will program the legislation," that is an abdication of the government's responsibility, an absolute folly. In any event, in any committee such as this you will ultimately bump up against the government's majority. If someone says, "Well, put more members on it," the only logical extension would be that the committee will become representative of the position of the parties of the house, and again you will run up against the government majority. Of course you do;

there is no way around it. I challenge any hon. members of the house to set up some committee like that to program the time of the house that does not ultimately bump up against the government majority. That is fundamental to the operation of this house. The choice is between continuing with the present chaos and getting into the question of programming, and leaving the resolution of disagreement in the committee, by making the committee bigger with a majority of government members, will not be more palatable to hon. members of the opposition.

It has been suggested ad nauseam that the good will of hon. members will resolve this crisis, and about that I want to make several observations. It has been said that the government does not need these residual powers, because the great likelihood is that in a very high percentage of cases the house leaders will agree among themselves. That may be the case. Certainly if the committee had been operating when the farm legislation was before the house, if the new rules had been operating, no matter whether some backbenchers liked the idea or not, that legislation would have been concluded by quick agreement on a much earlier date than it did. However let us examine the proposition that the government does not need this residual power, because the deliberations of the committee very likely will conclude on the basis of agreement. After all, we are only trying to allot time for the debating of subject matters we are all interested in, as citizens of the country. Either that proposition is true or it is not. If it is not, the argument is self-defeating; if it is true, then the government has that residual power to solve any disagreement. That residual power is so minor and will be so rarely exercised that I do not see why we need worry about it.

The second point about the good will argument is that it is said that the discussions and deliberations of this committee will be destroyed, so to speak, if the government holds a stick over its meetings and has the ultimate power. The suggestion is that if everything is left on the basis of consent, agreement and good will, everyone will go to the committee and discuss. I submit that a much more reasonable proposition is that unless the government holds the residual power to resolve any crisis, unless it holds the residual power which will avoid a boycott—and that has happened in fairly recent memory—then the deliberations of the committee will not be meaningful. If the government does not hold that residual power it will in fact get itself into a situation where the tail will wag the dog. Finally, the one thing that seems to be absent from all opposition suggestions on the subject of good will is that good will does reside on the government side of the house.

Some hon. Members: Hear, hear.

An hon. Member: You said it.

Mr. Jerome: In any event there seems to be no recognition that this government is interested in incurring the good will of this chamber and in maintaining a good relationship with the voters of this country. There seems to be some suggestion that, because the government is to retain a residual power in resolving conflicts within the business committee, therefore it will be like a ramrod in this chamber, or like a dictator. Some think that it will come to this chamber every Thursday afternoon with a bundle of orders saying, "Ho, hum, here is another Thursday afternoon; get ready for some more government legislation to be shoved down your throat." How long do hon. members think that any government adopting that ridiculous position would last?

An hon. Member: Four years.

Mr. Jerome: One can see that the true rationale of proposed standing order 16A is simply an emergency power to resolve any conflict within the business committee. It can only be invoked when the members of that committee either refuse to attend it or refuse to deliberate on the allotment of time of the house. If that is the case, despite what the hon. member for Peace River has said, what is so alarming about this suggestion? There has been a suggestion that the government can always invoke standing order 33 and bring on closure.

Mr. Baldwin: That is what they do in England.

Mr. Jerome: Yes. And what will happen if the government decides to use standing order 33? Without doubt the opposition, in a state of apopleptic horror, will go running to the television announcers outside in the lobby and say, "They have done it again." Certainly, it is easy to say, "Wait until you get yourself in a jam, and then try to get out of it." That is not programming. That is a rescue operation and the government wants no part of it.

Mr. Flemming: They will want it and need it.

Mr. Jerome: I have attempted to say some of the things I felt it my duty to say and to examine some of the things that need examining. They say there is a generation gap in this country. I say that it is not with hon. members who are my contemporaries and of my generation that the difficulty lies. If one goes back in time a short distance only, he will see that many young people are coming forward; they are only five or ten years behind us. When one talks to them about this institution and about institutions in this country in general he does not find great respect for those institutions. I came to this chamber because I believe this parliament has to survive; it therefore must improve and expedite its procedures to get on with the business of the nation. If I had not believed that I would not be here, and I am sure that many hon. members of this house have come here because they have concluded that reforms must be undertaken. But, Mr. Speaker, they must be undertaken in a meaningful way.

I have concluded that parliament is dedicated to discussion, yes. But parliament is not an insular ivory tower, a private club where members sit around as in a debating society and discuss things at the expense of the needs of this nation. This parliament serves not only its members; it serves the people. If it fails to serve the needs of this nation it will disappear, because there are other forms of government that can replace it. I say therefore that this government and this parliament have a responsibility to introduce legislative programs adequate to meet the needs of the nation. The government has the right to expect that program to be considered. The opposition has the right to examine and criticize that program and expose its faults to the nation; it has the right to amend it where possible and, in any case, to vote for or against it as it sees fit.

May I conclude, Mr. Speaker, by saying that in my humble opinion these reforms are only a beginning. They are not drastic; these are not terminal changes. These are beginnings, because there are other areas of major significance that will have to be changed. Certain parts of our procedure are difficult for new members to understand. For instance, it is difficult to understand why certain matters have to be talked out on a daily basis. Some things this nation will not tolerate any longer, and there are more reforms that will have to be brought up. I am therefore very encouraged that the establishment of a standing committee has been suggested.

I feel that the changes which are proposed at the present time are a significant first step in the direction of improvement and expedition. They will give not only new members but all members a meaningful opportunity to attend standing committees and deliberate on the legislation that has been presented before us in this chamber. We shall be able to program our legislation through the calendar year, therefore do much more work during the parliamentary year and master the terminal point of our legislative program.

• (9:30 p.m.)

I believe these changes are directed to that end. I trust they represent only a beginning and that a standing committee will continue to recommend such changes. This is the only way in which we can maintain the vigil necessary to ensure that parliament becomes a more effective place; it is the only way in which we can rest assured that this institution will survive as the guardian of our democratic liberties.

Mr. Baldwin: Would the hon. member permit a question? He suggested that in the United Kingdom they no longer set aside an hour for private members discussions. Will he not admit that in Britain there are almost 24 full days appointed by the House of Commons for the debate of private members bills and resolutions, and that in the United Kingdom the government has the courage to let these bills and motions go into effect?

Mr. Jerome: I do not think I should be called upon to comment on the courage of the British government. The only thing I can say is that the source of my quotations was a book recommended to all new members by no less a personage than the right hon. member for Prince Albert (Mr. Diefenbaker). I referred to Lord Hailsham's view of the purposes of parliament, and the alarm he expressed there about the absence of opportunities given to private members. I may have drawn an incorrect inference from that as to the opportunity available for private members to introduce legislation.

Mr. Baldwin: Twenty four days.

Mr. Hales: Would the hon. member permit a further question? He has spoken glibly about programming. Suppose a minister came before the house in connection with a measure affecting, say, 10,000 people employed by the International Nickel Company, and the program called for a debate lasting one day. If time did not permit the hon. member as a

backbencher to speak on their behalf, would he still be in favour of programming?

Mr. Jerome: In the first place, that is a hypothetical question. In the second place I would have to say that as a member representing the constituency which houses the International Nickel Company I would be not only surprised but somewhat ashamed if my party did not feel I was worthy to participate, at least to a certain extent, in the procedure.

Mr. Simpson: I hope the hon. member who has just resumed his seat does not consider himself to be the only member representing a constituency which houses International Nickel. I should like him to know there is quite a large development in my own constituency.

Mr. John Burton (Regina East): The debate on the rules now before us is of the utmost importance to Canada, it involves critical and essential components of the functioning of a democracy. Consideration of the matters under discussion should not be viewed from the standpoint of the mechanics of the matter, but rather from the standpoint of the principle involved and the consequences of our considerations on our democratic institutions. The mechanics are important in their place, but that place is still secondary to the principles involved.

It is here that I feel we can find one reason for the hang-up which now affects us. It seems to me the government and some of its supporters took the view that with enough tinkering they could speed up the parliamentary process, and that given sufficient powers at certain critical junctures they could make parliament work in the way they wanted it to work. If I might draw an analogy, it seems they considered that if they adjusted the carburetor, used higher octane gasoline and shaved the motor block they could make the parliamentary motor work at an adequate speed. What they overlooked is that they might burn out the motor in the process. In this connection the point made by my hon. friend from Winnipeg North Centre (Mr. Knowles) is a valid one. He suggested that the best rules in the world would fail to work if we did not have members of a sufficient calibre, members who were prepared to make them work in the best interests of the country.

It is for this reason that I feel the mechanistic view which has been suggested in some of the contributions from members opposite leaves a great deal to be desired. Before becoming a member of this house I often stated that I was in favour of parliamentary reform. I stand by that statement. The volume of business to be dealt with by parliament has skyrocketed, and the matters of concern to parliamentarians in the course of their duties have multiplied enormously. Parliament must expand its capacity to cope with an increased work load.

Early in the present session a special committee was established to study the rules of procedure. I trust it will be recalled that this action was taken by parliament, not by the government alone, and that all parties participated in the process which led to its appointment. I noted with a little concern the references by the Prime Minister (Mr. Trudeau) to the establishment of this committee; he seemed to suggest that the setting up of the committee was the government's idea. The records will show that all sides of the house were equally concerned about the matter.

At this point I should like to pay a special tribute to my hon. friend from Winnipeg North Centre for the leadership, study and skill he has provided in connection with all aspects of parliament's activities. This house is a far better place and a far more effective place as a result of his contribution to it over the years.

I also wish to congratulate my parliamentary leader, the hon. member for York South (Mr. Lewis) for his effective and incisive contribution to this debate. Like those two hon. members, I find myself in agreement with the greater number of the proposals in the two reports now before us. The committee is to be congratulated upon much of its work. Unfortunately the good which has been wrought is being undone by the effect of the proposed standing order 16A which places in the hands of the government a muzzle with which to choke off free and adequate parliamentary discussion.

I was elected by the people of Regina East to speak up on their behalf when I find it necessary to do so. I was not elected to accept meekly a muzzle, and I do not intend to accept such a muzzle. When we talk about altering the rules of procedure and the parliamentary process we ought to consider some of the changes which have taken place around us throughout the years. I believe we have to consider the role played by communications in the parliamentary process today.

• (9:40 p.m.)

At one time parliament had to make its decisions on the basis of little or limited

access to public opinion. Now we have media and means of communication which enable Canadians to develop their opinions quickly on important issues. It is important and essential that parliament today does keep in touch with public opinion on all matters before it, but it seems to me that there is potential in this rule for the government to order the business of the house so that the opposition will be effectively denied the ear of the public. Debates can be so short before a vote is taken that there will be no time to allow public opinion to make itself heard. It can be used to gag and emasculate parliament.

Beyond the specific provisions of the proposed standing order, what disturbs me is the tone of the government's views and some of the impressions they are trying to leave. We have to keep in mind that parliament is not for the convenience of the government nor for the convenience of the civil service. I make this reference in recognition of the fact that because of some problems and factors in recent years the civil service has very often had to accept burdens and loads which in fact must be recognized as not being properly its own.

Parliament is here not just to pass legislation. Parliament is here to pass judgment on proposals that are placed before it. This involves more than a vote. It involves an opportunity for adequate discussion. Of course then we have the critical question: Who is to determine what is adequate discussion? The other night after the outset of this debate we had a somewhat scholarly dissertation from the Prime Minister (Mr. Trudeau) in which he discussed some of the reasons why parliamentary reform was necessary. With many parts of his dissertation I found myself in sympathy or agreement, but there were some implications and suggestions in his remarks which I feel must be questioned.

I noted a rather consistent reference to dealing with business in an orderly fashion or in a systematic manner. This sounds very nice. It is very desirable in many ways, Mr. Speaker, but we have to try to determine who is to say that it is orderly or systematic. By whose standards—on what basis do we judge that that in fact is the case? I suggest this is something that should not be left to any one side of the house to determine.

As recorded at page 3782 of *Hansard* the Prime Minister said:

> I ask myself if our present procedures do not encourage even the most conscientious members to be good politicians first, and good members of the House of Commons in a secondary way.

I really do not appreciate the Prime Minister taking it upon himself to make a statement such as this with the implications and suggestions contained therein. I do not think it was his role, particularly within the context of the contribution he was making to this debate, to suggest that there is somehow a very queer difference between the role of a politician and the role of a good member of this house. I suggest it was not his place to make such a suggestion at this juncture of the debate.

Later on the Prime Minister made some references to some of the debates which have taken place during the current session. He was making reference to the priorities that are sometimes required in government business. As recorded at page 3783 he said:

> Interest rate provisions may have to be changed to keep an act in operation.

This very obviously refers to the discussion which took place this fall with respect to the farm credit legislation. Again, Mr. Speaker, it seems to me that the Prime Minister revealed something of a lack of knowledge of the political process as it takes place in this house. A little further on he said:

> Days are consumed on the second reading debate and on the first few clauses. Then interest lags, and the technical clauses, the ones that need intensive study, slide by untested.

I would suggest, Mr. Speaker, that this is not what has taken place during the current session of the House of Commons. I am a new member of the house but certainly it did not take me and other new members very long to learn that on many occasions much of the discussion on committee stage of a bill takes place on clause 1, and properly so. I will have a few things to say later about the farm credit legislation and the time it took in the house, in view of the references made by the hon. member for Sudbury (Mr. Jerome).

I could go on to quote some of the other references made by the Prime Minister with which I disagree, but there is one area in particular that I would like to treat at some length. As recorded at page 3787 the Prime Minister stated:

> In this session we have already allowed three months to go by and only passed nine measures. We should not spend a substantial part of this session wrangling fruitlessly over rules of procedure.

I think some of the alternatives with respect to the latter point lie with the government, but with respect to the previous point concerning the nine measures that have been passed I note that the hon. member for Vancouver-Quadra (Mr. Deachman) also made

some references to the work load of sessions and the length of time taken to dispose of business in the house. He made particular reference to the work load of the last session of the house. I cannot judge particularly on his comments because I was not a member of that parliament, but again it seems to me he left an impression that there was an irresponsible use of time on the part of members of the house.

Because I was concerned with the comments of the Prime Minister, and of other members on the government side, I decided to check for myself just what has taken place during the current session of the House of Commons. I have a complete rundown here, if any hon. member would like to take a look at it to see just what has happened since September 12. My consideration in reviewing the business since that date has dealt solely with the time that was available in the house for government orders.

Since September 12 and until the commencement of the debate on this report there were 60 sitting days in the House of Commons. First of all, with the opening day, the motion to move the address in reply to the speech from the throne, and then the throne speech debate, there were consumed eight days of the time of the house; and it should be mentioned here, Mr. Speaker, that this in fact left two days unused which were at the disposal of the government for some of the business it wished to bring before the house.

Secondly we had the budget speech and the budget debate. Together these two items consumed six and a half days of the time of the house. Then we had the amount of time devoted to supply, and this was established on the basis of agreement between the house leaders, and was approved by an order of the house. We had 17½ days used for the regular supply business of the house to dispose of the estimates for the current fiscal year. In addition we had another approximately one and a quarter days used in debate on interim supply.

Then there was one day when no business was transacted due to the death of Premier Daniel Johnson of Quebec. Altogether these various items total 34¼ days. This left 25¾ days for the other business of the house that has been transacted. There were two committees established dealing with procedures and statutory instruments, and the debates on these two resolutions consumed some 2¼ days of the time of the house.

[Mr. Burton.]

That left 23½ days devoted to other legislation.

The Prime Minister made reference to the nine measures passed. This includes the supply bill. In fact there were actually 11 bills passed, including the interim supply bill and one private bill, but the remaining eight measures occupied 23½ days of the time of the house.

• (9:50 p.m.)

Reference has already been made to the farm credit legislation dealt with at some length in the house. I should like to review briefly just how much time was taken on government orders in respect of this particular legislation. Here there may be some difficulty concerning some of the fractions, as was noted earlier. I also took the good days with the bad. On some days, of course, only one hour was at the disposal of the government for government orders, and on other days several hours were available. First, with reference to the farm credit legislation, at the resolution stage some two and three quarter days were consumed. This included one one-hour government day as well. At the resolution stage there were three items of farm credit legislation. Then we went to the Farm Improvement Loans Act. The second reading of this measure consumed approximately two hours. Surely no hon. member could complain about the length of time spent on that. Then we moved to the committee stage in respect of the Farm Improvement Loans Act. This consumed one full day on government orders and two one-hour periods of government business on other days. On third reading no time was taken.

Then we had the Farm Credit Act. Second reading on this bill consumed half an hour. Surely no hon. member on either side of the house can complain that too long was spent on that. Admittedly the committee stage took a considerable period of time. On the committee stage of the farm credit bill there were two two-hour periods, plus one full day, and then another two and a half hour period. The third reading stage took approximately half an hour. Altogether we could say that on these two bills which were passed, including the resolution stage of the third bill, there were some eight and a half days of government business time consumed. Considering the controversial nature of this legislation, the importance of it and the many factors that had to be considered, I certainly do not think this was an unreasonable length of time. If members opposite think it was

unreasonable, I am sure there are many people in this country who would be interested to hear them say so.

Then we have the prairie grain advance payments bill. The resolution stage took one day. Of course it should be noted that this afforded members an opportunity to discuss many aspects of problems facing the grain industry in western Canada. Then another half day was consumed during the second reading, committee and third reading stage in respect of this bill. This is a total of one and a half days for the prairie grain advance payments bill, or a total of ten days for all these pieces of farm legislation.

Then there was the debate on the post office bill, the other piece of legislation which required lengthy discussion. I wonder whether hon. members on the opposite side of the house will suggest that the debate on that particular bill should have been curtailed. One day was consumed on the resolution stage. On second reading there was a lengthy debate; there is no question about that. Three and a half days were consumed on the second reading stage. On the committee stage we had another day. Then the third reading consumed about 20 minutes. This is a total of five and a half days.

These were the most controversial pieces of government legislation discussed to date, during the current session. Admittedly the debate did take a considerable amount of time, but I would be interested to know whether members on the other side of the house would suggest that, in fact, discussion on these bills should have been curtailed. It is true that there was some duplication of discussion at the resolution and second reading stages of the bills. This is one thing which is suggested in the rules with which we wholeheartedly agree, namely the cutting out of the resolution stage of bills. This will in effect cut out some time.

In addition to these pieces of legislation there have been another five bills which have passed through all stages of discussion in the house. First of all, there was the publication of statutes bill. All stages in respect of this bill were completed in 40 minutes. Then there was the C.N.R. branch line construction bill. The resolution stage took half an hour. The second reading and committee stage took one and a quarter hours. The third reading stage took half an hour. This, in terms of time, represents three quarters of a day. The resolution stage of the bill to amend the Judges Act took one hour. The second reading, committee, and third reading stages took one day, for a total of one and a quarter days. The next is the C.N.R. capital financing bill, the second reading and committee stages of which took one day. The third reading stage consumed one and a half days, making a total of two and a half days. The resolution stage on the Customs Tariff bill consumed one day and the second reading, committee and third reading stages consumed three fifths of a day. This is a total of one and three fifths days.

The debate on the farm legislation consumed ten days, the debate on the post office bill consumed five and a half days and the five other bills were disposed of in a little more than six days of the time of the house that was available to the government. This is a total of something over 21½ days. However, in the time since the opening of this session other items of government business have been considered as well. The resolution stage has been completed on the official languages bill. The minister has made part of his speech on the amendments to the Patent Act, the Trademarks Act and the Food and Drug Act. All these items consumed one day. The discussion on the I.M.F. special drawing rights resolution was completed in just under two hours. Some ten minutes has been spent on the resolution concerning the fresh water fish marketing board. The farm machinery syndicates credit bill has passed through the resolution stage, in spite of some handicaps involving procedure.

When one considers that this is a new parliament and considers also the many problems relating to the Prime Minister's decision to recommend dissolution of parliament last spring, and the inexperience of some of the new ministers in this parliament, it would appear that parliament has completed a considerable amount of business.

Mr. Speaker, I wonder whether I might at this stage call it ten o'clock.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDUSTRY—PRODUCTION IN CANADA OF PARTS FOR NEW JET PLANES

Mr. André Fortin (Lotbinière): Mr. Speaker, I asked a question in the house on the orders of the day recently concerning the ten L-1011 jets which Air Canada had ordered from the Lockheed Company.

Proceedings on Adjournment Motion

Since my question was ruled out of order, I asked that it be discussed at ten o'clock, to find out whether Canada intended to ask this company to make parts for jet planes in this country, in order to provide jobs for Canadians and participate in regional development program so as to abolish regional disparities.

Mr. Speaker, Air Canada has ordered ten L-1011 jets which are to be manufactured by the Lockheed Company at a cost, apparently, of $175 million. The first six jets are to be delivered in 1972; three more will be ready by 1973 and the last one in 1976.

Air Canada has already ordered these 270-passenger planes, after spending nine months appraising the advantages of these aircraft and other similar models.

This giant aircraft, Mr. Speaker—for the information of hon. members who are not familiar with the statistics—has a cruising speed of 565 miles per hour, which is 15 miles faster than the DC-8 and DC-9 aircraft now used by Air Canada. The engines are made by Rolls-Royce and have a thrust of 40,600 pounds; they are therefore twice as powerful as the most powerful engine of the DC-8. Those planes will be used exclusively for domestic flights in North America.

• (10:00 p.m.)

Mr. Speaker, with regard to the contract given by Air Canada, Canadians, naturally—and here I speak for them before parliament—hope to be able to participate actively and intensely in the manufacturing of at least part of those aircraft, for instance, certain parts, as I suggested.

It may be an excellent thing to grant contracts to competent companies which are known for doing a good job but, to my mind, we must nor forget also that Canadians need employment, that they face huge and complex economic problems. In this regard, we do not know what to think because no statement has been made since the news of the contract came out. All Canadians are waiting to find out whether they can find there a source of employment.

This then was the purpose of my remarks this evening. I should like to get a reply to this question: With a view to encouraging decentralizing programs, with which it dins our ears every week, will the government sign agreements with the Lockheed company to give work to Canadians?

Mr. Speaker, I would like the spokesman for the Department of Transport to tell us—I repeat to make myself clear—whether negotiations are now under way between the government, through Air Canada, and the Lockheed company, to arrange for the manufacture of at least certains parts in Canada to encourage and support Canadian labour.

Moreover, as I said before, the engines in these aircraft being Rolls-Royce engines, and as this English firms has a subsidiary in Canada, it therefore does not seem impossible that this new contract could give work to a good number of Canadians without interfering with the contract, since a number of those aircraft are already made in Canada; this is not something to be scorned in these days of unemployment, insecurity and regional disparity.

Mr. Speaker, I feel my proposal is quite acceptable. It surely calls for a positive reply on the part of the government, in order to reassure Canadians who are asking themselves a lot of serious questions in this regard.

I do not wish to take any more of the time of the house; the main purpose of my intervention being a specific reply. I trust the reply of the government will be as favourable.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I can cheer up my hon. friend as far as the purchases of the Lockheed company in Canada are concerned. That company has already placed orders in the past in Canada, it is doing so at the present time and it will do so in the future.

Of course, at the present time, these orders concern the 1011 jet recently purchased by Air Canada and an American military transport aircraft called the C5A.

As far as the 1011 jet is concerned, we expect that the contracts already signed and those being negotiated will bring to the Canadian subcontractors, while the program lasts, a sum of about $300 million. My department is now trying to increase that amount.

As far as the C5A is concerned, $150 million have already been spent on it and that amount will probably be doubled during the construction program of that aircraft.

My hon. friend might be interested to know the names of the Canadian subcontractors. They are: Northwest Industries, Edmonton; Fleet Aircraft, Fort Erie; Bristol Aerospace, Winnipeg; Canadair, Montreal; United Aircraft of Canada, Montreal; Canadian Aviation Electronics, Montreal; Abex Industries, Montreal. Other companies around Toronto

and Hamilton in particular also have smaller contracts.

Like the hon. member I am sorry that more of those contracts are not awarded in the eastern townships. It is too bad for the eastern townships but what makes the eastern townships unhappy makes Montreal happy. That is one of those things that cannot be changed very easily.

Furthermore, at the end of February, a conference of tenderers will be called in Toronto, and another one in Montreal. The Lockheed company will, of course, take advantage of this opportunity to brief the Canadian industrialists, and it is possible that other opportunities will be offered to Canadian subcontractors.

This is roughly the situation and I think that it will, at least, moderately cheer up my hon. friend.

[*English*]

CONSUMER AFFAIRS—REQUEST THAT PROTECTION BE INCLUDED IN CRIMINAL CODE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, a few days ago I asked the Minister of Justice the following question:

> In view of the fact that the housewives' charter to protect the consumer has now become part of Britain's criminal code, will the minister introduce similar legislation or consider such action in connection with his new omnibus bill to amend the Canadian Criminal Code?

The minister replied that he would certainly want to talk that over with the Minister of Consumer and Corporate Affairs. I hope he has done so.

The speeches of the Minister of Consumer and Corporate Affairs are studded with declarations that the consumer has the right to be protected from fraud, deception, misleading advertising and other unscrupulous malpractices. Surely the time has come to legislate firmly, clearly and unmistakably against this sort of thing. We need teeth in the Criminal Code to protect the consumer. If the Minister of Consumer and Corporate Affairs is to live up to the first half of his title, that is, if he is to be the watchdog for the consumer, he will have to be given the necessary legal teeth.

In Britain they have taken a long step forward in the direction of protecting the consumer from fraud. The housewives' charter, which became part of Britain's criminal code last month, deals with business ethics. A board of trade spokesman describes it as a law vitally important to the whole community. It is designed to give safeguards to everyone who buys goods and services. It requires merchants, when describing their goods, to tell it as it is. Details such as size, manufacture and performance must be given correctly. The same thing applies to certain statements describing services.

For the first time the law extends not only to written but also to oral descriptions. The law requires local weights and measures authorities to enforce it. The housewives' charter, technically known as the trade descriptions act, 1968, has been in the making for several years. At the time of its introduction into the British parliament in the spring of 1966 one British newspaper commented:

> Publicity about the penalties may have the deterrent effect which is needed, without the prospect opening up of butchers or bakers or candlestick makers, being prosecuted by the dozen.

The strict provisions of the new law are clearly designed to curb the malpractices of a few businessmen and their employees in the hope that this protection for the consumer will build up his and her trust in the marketplace.

If we had such legislation in Canada there would be means of inquiring into and dealing with advertising which is mailed wholesale to customers, such as that which I drew to the attention of the Minister of Consumer and Corporate Affairs recently. It begins:

> You have already won a great art treasure! Congratulations! You have already won ... an oil painting by Renoir! or an etching by Rembrandt! or a woodcut by Holbein! or a lithograph by Chagall! or a silk-screen by Warhol! or a lithograph by Picasso! or, at the very least, you have certainly won a full colour reproduction of a Gainsborough!

All of which, and much more, is designed to sell an encyclopaedia. What is sold in the process is an unprotected public.

This type of promotion demands the closest scrutiny by public authorities. It is misleading for the very reason that it is so well written. Thousands of Canadians are led to believe that they are already well on their way to possessing a priceless art treasure. Only the fine print indicates that this so-called contest is open to residents of the United States as well, that it is void where prohibited by federal, state, provincial or local laws or regulations, and that there is only one prize per family.

The letter authenticating the top prize—the Renoir—was sent by an American appraiser to an American publishing firm over 18 months ago. Who is to say that this contest was not available to residents of the United States much earlier than to residents of Canada? Who is to say that any Canadian has a

chance for more than the booby prize—the coloured reproduction of the Gainsborough, costing a few cents? This whole matter bristles with questions demanding answers that can be given only after proper investigation. The public has a right to be protected from misleading advertising.

The fact that this particular advertising emanated from *Maclean's* in Toronto led me to believe that the publishers of that well known magazine were responsible, although the two addresses were different. Further investigation indicates that the two *Maclean's* inhabit a single building on the corner of University and Dundas streets in Toronto, hence the two addresses. It would appear that this is one of those perfect marriages where the two have become a single whole. In any event, the evidence available leads one to that conclusion.

• (10:10 p.m.)

All of this, Mr. Speaker, points up the need in Canada for legislation to protect the consumer from misleading advertising and other malpractices of the marketplace. I urge upon the Minister of Justice (Mr. Turner) or for that matter the Minister of Corporate and Consumer Affairs (Mr. Basford), the need for a housewives' charter as part of Canada's Criminal Code.

Hon. Ron Basford (Minister of Corporate and Consumer Affairs): Mr. Speaker, I am delighted that in Britain they now have what they call a shoppers' charter in the form of the British Trade Description Act, 1968. I am pleased that the British have this. I do not want to disappoint the hon. lady, but my officials have examined it and have advised me that most of the provisions of the shoppers' charter in Britain are already contained in the laws of Canada, principally in section 33(c) of the Combines Investigation Act and section 306 of the Criminal Code. As the hon. lady knows, the latter is to be transferred from the Criminal Code to the Combines Investigation Act so that I can have direct administrative responsibility for it. If we were to pass the motion now before the house, dealing with procedural reform, we could undoubtedly get to that more quickly than we will be able to do now. There is protection also in many of the provincial consumer protection acts, as well as the sale of goods acts. The point I am making is that much of what the British have done, we have already done in Canada or have under active consideration.

[Mrs. MacInnis (Vancouver-Kingsway).]

We have already examined the British charter. I have a special assistant on my staff in charge of consumer affairs who will be spending three days in London in the early part of January examining this and other consumer programs in Britain, and judging their suitability to Canadian conditions. I should like also to make the point to the hon. member that at the first meeting of the consumer council which I appointed in November and which met on Monday, I said to the council:

> It seems to me that it would be useful to have before the public, before industry, before consumer groups, and before government, a declaration of consumer rights, and I would hope your council would endeavour to draw up such a declaration. Such a declaration should attempt to set out those consumer rights that will ensure that the consumer benefits from our competitive economic system. It could serve as a guide for the conduct of further debate on consumer affairs ... It would clarify for all sectors of our economy precisely what the consumer demands of his economy and his society.

So, I think in asking the consumer council to prepare a declaration or charter of consumer rights, undoubtedly I have been a step ahead of what the hon. lady is urging. I feel, with all due respect to the British, that in terms of consumer affairs Canada is where the action is. We have established a department; the provinces are all establishing departments or bureaus. My own department is shortly introducing a hazardous products act which will go much further than anything contained in the shoppers' charter in England. I shall be announcing in a short while a prices and income policy to benefit the consumer. I will be announcing a textile and fibre content care label program. Already before the house is the drug legislation to deal with drug prices. Again, if we improve the procedures of the house, we will be able to deal with the drug legislation much more quickly and get the prices of drugs in Canada down. We have—

Mr. Speaker: Order.

Mr. Basford: My point is that it is not—

Mr. Speaker: Order. My point is that the hon. member's time has expired.

UNIDENTIFIED FLYING OBJECTS—REPORTED SIGHTINGS OVER SIOUX LOOKOUT, ONTARIO

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, on December 4, 1968, I addressed a question to the Minister of National Defence (Mr. Cadieux) concerning

the alleged sighting of unidentified flying objects over the town of Sioux Lookout, Ontario. I did this deliberately because the Department of National Defence maintains a very thorough, and I would probably say expensive, radar detection establishment at Sioux Lookout. I also thought this would be an opportunity for the Department of National Defence to shed some light on this phenomenon of unidentified flying objects.

If I were a pilot of one of these U.F.O.'s I am certain that I could think of no better place to land and examine planet Earth than Sioux Lookout, Ontario, the people of which have a tremendous capacity for offering hospitality that is exceeded only by their ability to out-enjoy visitors.

In a more serious vein, there have been a number of sightings located in the general area of northwestern Ontario. Perhaps, Mr. Speaker, you will recall an instance where the hon. member for Selkirk brought to the attention of the house the rather spectacular experiences of people in the Falcon lake area. However, no satisfaction was ever given the hon. member, and if the government has any information at all about these matters I think it should be made available to the public. There is, as hon. members know, a great deal of curiosity about this subject.

Shortly after my last visit to Sioux Lookout I was told by telephone, and in person, that there had been a large number of sightings there. An article appeared in the town's paper, the *Daily Bulletin,* which I should like to quote to bear out my claim that there have been extensive sightings in this area. This is the November 29 edition of the paper, and the article reads as follows:

> For the last two evenings several people in town have sighted an unidentified flying object over Pelican lake.
>
> Last night's sighting was observed by quite a few people outside Jim's Coffee Bar on Front street at about 6.00 p.m. The only information we could gather from observers was that it "was a big light in the sky, which kept changing in colour". No idea as to its shape or manoeuvreability was given. About a month ago, at least five people saw an U.F.O. Four on a return trip from Dryden spotted a green light in the sky near the "Turkey Trail" while another person in town saw the same phenomenon about two hours earlier over Pelican lake.
>
> Both descriptions tallied on checking them out and the U.F.O. was described as a flat circular object of bright greenish hue, which appeared to be pulsating. It was travelling at conventional speed for an airborne object and glided down behind the tree line out of sight.

Then the article concludes with the question: Anyone have an explanation?

That brings me to the point of my question, Mr. Speaker. We do have this very extensive facility at Sioux Lookout that is operated by the Department of National Defence. Surely if anything was in the sky over that period, records would be kept by this most efficient establishement, one which, I might add, is also an expensive establishment. Therefore I should like to ask the parliamentary secretary—and it is very kind of him to stay up so late—whether he could release some of this supposedly confidential information for the benefit of the Canadian public. The Christmas holiday season is fast approaching, but I do not want to receive the answer from the parliamentary secretary that it was Santa Claus trying out his reindeer in anticipation of Christmas.

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I hope I am not setting a precedent this evening by answering this question, but questions relating to unidentified flying objects should really be directed to the minister who speaks on behalf of the National Research Council. However I undertook to check out the observations made by the hon. member for Kenora-Rainy River, and I am informed that although there were some strange lights noticed in the Sioux Lookout area on the night of November 27, no radar reflections were picked up by the radar station at Sioux Lookout.

I do not like to disappoint the hon. member, but may I take this opportunity to forecast to him that there probably will be some unidentified flying objects picked up by that radar station on the night of December 24. There is some evidence that these will eventually be identified as a space vehicle propelled by eight unknown objects, and this will be reported through the regular NORAD channels. It is highly unlikely, however, that the pilot of this space vehicle on that night will be identified either as the hon. member for Hamilton West or the hon. member for Edmonton Centre.

Motion agreed to and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, December 13, 1968

The house met at 11 a.m.

MESSAGE FROM THE SENATE

Mr. Speaker: Order. A message has been received from the Senate informing this house that the Senate has passed Bill S-16, an act to incorporate Transcoastal Life Assurance Company, to which the concurrence of this house is desired.

PRIVILEGE

MR. RICHARDSON—PRESENCE IN TORONTO OF TRANSPORT MINISTER

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I rise on a matter of privilege. When replying yesterday to a question concerning the Toronto international airport I stated as follows, as reported at page 3852 of *Hansard*:

> —the Minister of Transport today is in Toronto on this matter.

At that point the hon. member for Wellington (Mr. Hales) rose on a question of privilege and advised the house that he had seen the minister get into the elevator as he came into the chamber. The facts, Mr. Speaker, are that the Minister of Transport (Mr. Hellyer) left his office at about 2.30 yesterday afternoon, and at the time I was speaking he was either on his way to the airport or already in the air on his way to Toronto.

I realize, Mr. Speaker, that this is a relatively minor matter but it does concern accuracy of information and I hope in this instance the house will conclude that the hon. member for Wellington and I were both right.

Mr. A. D. Hales (Wellington): Mr. Speaker, on the point of privilege, I accept the minister's observation; I was right and he was right. I think we can conclude that the Minister of Transport has been in flight for some time, so much so that he very seldom alights in the house.

• (11:10 a.m.)

EXTERNAL AID

IVORY COAST—REPORTED REFUSAL OF GIFT OF WHEAT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, normally I would direct my question to the Secretary of State for External Affairs but I am sure the Prime Minister will be familiar with the matter. Will he advise the house if the government of the Ivory Coast in fact is not accepting the shipment of Canadian wheat that is due to arrive in that country soon?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we are somewhat puzzled about the information that has appeared. We were approached by a representative of the governments of Ivory Coast and Niger, and after having received representations we agreed to supply 35,000 tons of wheat to be shipped to both the Ivory Coast and Niger. Some 19,000 tons have already been shipped and the rest is being prepared. We could of course, delay the sending of the wheat if it appears that the Ivory Coast does not want any.

Mr. Stanfield: A supplementary question, Mr. Speaker. Does the Prime Minister know whether the representative in question who had approached the government of Canada was an authorized representative of his country? Was any contact made, for example, with the external aid section of our Department of External Affairs to ascertain whether the request was one which ought to have been made?

Mr. Trudeau: Oh, yes, Mr. Speaker. We had obvious knowledge that this gentleman was a representative of these governments. He came here and contacted the government through their consular officials in Canada. I understand the problem is mainly one of insufficient storage facilities in Abidjan; there seems to be insufficient provision for handling wheat. I understand it is not that they cannot use the wheat they requested of us, but that they have a storage and handling problem at this time.

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prince Albert): Will the Prime Minister say, by way of a supplementary question, whether this sale was to be for cash or on time, with credit guaranteed by the government of Canada?

Mr. Trudeau: Mr. Speaker, it was part of our external aid program. So far as I know there was no cash involved. Of course it is possible that part of the shipment was for cash; I can inquire into that. But I know that the essence of the request, the bulk of the request, came about because of shortages which had appeared in the area. Because of this request that we received from the Ivory Coast we channelled the shipment of wheat through our external aid program. If it is not required now or not used I am sure many other countries would welcome it.

[*Translation*]

[*Later:*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question on the same subject.

I should like the right hon. Prime Minister to tell us whether an agreement had been signed between the governments of Canada and the Ivory Coast with regard to this wheat order, in view of the fact that it was shipped and refused? If this is the case, what will come out of this agreement?

Mr. Trudeau: Mr. Speaker, I am not aware of any written agreement. There might have been an exchange of correspondence or documents, but I want to make clear that it was not a sale but a gift through our own external aid office.

Mr. Fortin: Mr. Speaker, another supplementary question.

If it was a gift, may I ask if gifts made by Canada under its external aid program normally go through the unofficial or official channels? If they follow the unofficial channels, why do we not negotiate written agreements?

The right honourable Prime Minister could check my assertion and give me an answer later on this point.

[*English*]

Mr. David MacDonald (Egmont): In view of the possible difficulty in making use of this shipment of wheat by the Ivory Coast and the obvious need in both Nigeria and Biafra, is the government making plans to divert this shipment which is expected to arrive on December 20 and, perhaps, to start to make use of some of the stock presently being loaded in Montreal? I am sure it would be happily accepted by both Nigeria and Biafra.

Mr. Trudeau: As to the shipment which is on the way, there is no question of it not being required by the government of Niger. It was sent in reply to a request by them. As to the disposal of some of the wheat which, hypothetically, would not be used by the Ivory Coast, I would point out we are now in the process of assembling some $1,600,000 worth of food supplies and relief which will be channelled through the Red Cross to the various parts of Nigeria. But the request from this quarter has been not so much for wheat as for fish and carbohydrates.

Mr. MacDonald (Egmont): In view of the misunderstanding which seems to have arisen with the Ivory Coast, may I ask whether any preliminary visits were made by departmental representatives to determine whether adequate facilities existed for the storage of this product?

Mr. Trudeau: Would the hon. member mind repeating his question?

Mr. MacDonald (Egmont): I asked whether any visits had been made by representatives of the department to the Ivory Coast to determine whether storage facilities were adequate.

Mr. Trudeau: Having received a request for a gift of wheat, we made the arrangements to have it assembled and sent. Now that we have learned there may be some question whether the Ivory Coast can use it we have, of course, been in communication with our embassy staff at Accra, I believe, which serves Abidjan also, and we are asking for a report.

Mr. Stanfield: Having regard to the interest in this matter, would the Prime Minister ask the Secretary of State for External Affairs to report to the house on the results of the investigation when he is next in this chamber, so that hon. members may have full information as to just what nas happened?

Mr. Trudeau: Yes, we would have no objection to explaining what the situation is as soon as we have clarified this matter.

AIR CANADA

STATUS OF DISPUTE WITH EMPLOYEES' ASSOCIATION

On the orders of the day:

Mr. David Lewis (York South): I should like to ask either the Prime Minister or the Minister of Transport, whoever has the information, what has happened to the settlement between Air Canada and the employees' association. Have the negotiations now broken down and, if so, what steps are being taken to start them over again?

Hon. Paul Hellyer (Minister of Transport): There was agreement reached during an all night bargaining session a couple of nights ago. However, when the parties involved began to put down on paper the agreement they had reached there was some difference of opinion as to what had in fact been agreed. This is not unprecedented in the field of relations between employers and employees. They have since then been trying to clarify the situation and I believe are presently meeting—or they were this morning—to see whether some final understanding cannot be reached which will reconcile the difference between the parties.

Mr. Lewis: Is the present disagreement related to the salary settlement? Is it true that Air Canada has withdrawn the wage offer which was accepted by the union, or is the difficulty related only to matters other than wages? While I am on my feet may I also ask whether the Minister of Labour, who is not here today, is taking steps to start the negotiations again, and whether he is going to Montreal personally? What is happening?

Mr. Hellyer: Mr. Speaker, the Minister of Labour is either en route—

Some hon. Members: Oh, oh.

Mr. Hellyer: —intending to start, or may be in Montreal, and is very directly involved in the situation. So far as the substantive part of the question relating to the agreement between the two parties is concerned I understand it is not the major wage proposal which is in dispute and it has not been withdrawn. It is a question or questions relating to working conditions. Perhaps there might be a pay element in the working conditions, but it is in that area rather than the major wage settlement that the difference of opinion has arisen.

[*Translation*]

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wanted to put my question to the Minister of Labour but, in his absence, I will put it to the Prime Minister.

Since Canada now has 338,000 unemployed, 50,000 more than last year—in my opinion, that is a very serious and urgent matter—can the Prime Minister tell us what steps he intends to take in the short or long run to alleviate that serious problem which affects our country's prosperity?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, since it is a matter of statistics, I would like to remind the hon. member that although there are 49,000 more unemployed there are also 268,000 more jobs.

[*English*]

Hon. George Hees (Prince Edward-Hastings): As a supplementary question, Mr. Speaker, in view of the fact that unemployment today is 50,000 higher than it was this day a year ago, and the indication that unemployment is going to increase steadily during the winter months, as it always does, will the Prime Minister give consideration to reinstituting the winter works program as a means of helping to alleviate hardship and suffering caused by steadily growing unemployment?

Mr. Trudeau: Well, Mr. Speaker, the hon. member is just about accurate. Unemployment is up by 49,000.

Mr. Hees: Fifty thousand over a year ago.

Mr. Trudeau: Well, we won't argue about the 1,000. The D.B.S. figures are 49,000.

Mr. Hees: Over.

Mr. Trudeau: But I just want to say that the success of our programs is indicated by the fact that the employment figures are up by 268,000.

Some hon. Members: Hear, hear.

Mr. Hees: Mr. Speaker, I asked the Prime Minister if the government would consider the reinstitution of the winter works program. He has not given me an answer. I take it they are unwilling, and that therefore the just society is only for the affluent and the employed.

Inquiries of the Ministry

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a supplementary question in the same vein to the right hon. Prime Minister. Because of the seriousness of the allegations would the Prime Minister cause an investigation to be carried out in regard to the operations of the Canada Manpower offices in Ottawa, since it has been alleged that permanent civil servants already employed are given preference for occasional work over other applicants?

Mr. Speaker: I am not sure that this is a supplementary question, but the question having been asked might be allowed.

Mr. Muir (Cape Breton-The Sydneys): On a point of order, Mr. Speaker, this thing happened—

Mr. Speaker: Order, please.

Mr. Muir (Cape Breton-The Sydneys): Well, I posed the question to the Prime Minister.

Mr. Speaker: Order, please. The hon. member has asked the question. There is no point of order since I have allowed the question.

[*Translation*]

[*Later:*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question.

As the Prime Minister did not answer adequately the question put by the hon. member for Richmond, I would like to ask him what steps the government considers taking to provide employment for the 50,000 more unemployed that we have this year? I think the question is in order and can be answered, Mr. Speaker.

Mr. Speaker: Order. The hon. member cannot restate a question already asked merely because he feels that the government or the minister has not answered adequately. According to the standing orders, the hon. member has the right to put a question if he wishes, but he cannot insist on an answer that he would consider more adequate.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, in view of the fact that the increase in employment obviously was inadequate to avoid a very substantial increase in unemployment, may I ask the right hon. Prime Minister, if he does not wish to reinstitute the winter works program, whether the government would consider some other program. Is the government giving consideration to some other program to deal with the large increase in unemployment this winter?

Mr. Trudeau: Mr. Speaker, obviously the labour force increased very considerably more than it usually does in a like period. That is why employment has increased so considerably. If you look at the percentage you will see that employment increased by 3.6 per cent. This proves that our policies for expansion are working well.

Mr. Lewis: Mr. Speaker—

Mr. Hees: Mr. Speaker—

Mr. Speaker: Order, please. There are a number of supplementaries. We will try to proceed in an orderly fashion. I believe the hon. member for York South has a further supplementary.

Mr. Lewis: Mr. Speaker, in view of the fact that the increase in the labour force was forecast by the Economic Council of Canada some years ago, and everyone knew this would happen; and in view of the fact that—

Mr. Speaker: Order, please. I understand that the hon. member wishes to ask a question.

Mr. Lewis: Now that I have laid the basis for it may I repeat the question. I ask this seriously. Is the government considering some alternate program to help cities, communities and particularly provinces like Quebec and the Atlantic provinces, meet the unemployment situation this winter?

Mr. Speaker: Order, please. I suggest the hon. member is merely repeating with more emphasis the question he asked in the first instance.

Mr. Hees: Mr. Speaker, does the Prime Minister intend to continue to ignore the fact that there are 50,000 more people unemployed today than a year ago? Does he not intend to institute some policies in respect of this very serious situation?

Mr. Speaker: Order, please.

Mr. David MacDonald (Egmont): Mr. Speaker, my question to the Prime Minister relates to the abandonment of the winter works program. Is the government considering a suggestion I made to the Prime Minister at the time the winter works program was abandoned, that it might be employed in

areas where unemployment in the winter months reaches or surpasses 8 per cent?

Mr. Trudeau: When we abandoned the winter works program we did so because we felt there were other ways in which to ensure prosperity. We are seeking these constantly. We are in the process of negotiating a new FRED agreement with Prince Edward Island; we are in the process of extending a loan to New Brunswick to be used for the purpose of erecting transmission lines; we are in the process of offering to the Manitoba government something like half a million dollars to be used for the purpose of constructing sewers and water works in Churchill. We are doing this type of thing in other areas. This has to do with regional development, which is an area with which we are very much concerned. As hon. members know our policies extend from ARDA through AIDA and various forms of assistance to the western farmers. These are all ways in which we try to alleviate the economic situation. Of course we do not have a system of government in which we have entire jurisdiction over the whole economic policy.

Mr. Baldwin: Thank God for that.

Mr. Trudeau: Yes, thank God for that; I quite agree with the hon. member. But, if he thanks God for that, why are his members by their questions seeming to indicate that every time something goes wrong—

Mr. Speaker: Order, please.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker. I believe the Prime Minister's eloquence carried him away from answering the basis of my question, which was whether the winter works program might be reinstituted in areas where unemployment had reached the critical point of 8 per cent or more. In view of the many reasons outlined I think this is a very major and key question.

Mr. Trudeau: It is not the magic of the 8 per cent figure which would make us change our decision to abandon a program which largely was a make-work program. Government policy is not to create work projects or find work just as a way of alleviating a situation. Our program is to create growth in areas where there should be economic growth.

Mr. James A. McGrath (St. John's East): Mr. Speaker, we listened with interest to the Prime Minister's enunciation of various alternatives to the winter works program. Is he prepared to make a statement as to whether his government will extend—

Some hon. Members: Order.

Mr. McGrath: Mr. Speaker, I am trying to address this very urgent question to the Prime Minister. The groundfish industry is on the verge of total collapse. Unless federal aid is immediately forthcoming to avert the serious unemployment consequences of such a collapse, this will be the result. Will the Prime Minister announce that his government will extend aid to the ground fishery?

Mr. Trudeau: Would the member ask his question of the Minister of Fisheries, please?

Mr. Speaker: Order, please. Hon. members will realize that we have already had quite a number of supplementary questions in respect of what I recognize to be a very important question. Certain other hon. members are anxious to ask questions and perhaps we might allow a few more.

Mr. McGrath: Mr. Speaker, my question was directed by the Prime Minister to the Minister of Fisheries. Since the question was in order, perhaps the house is entitled to an answer.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the minister of fisheries for Newfoundland, industry representatives and consultants will be meeting here next Tuesday to discuss this problem and help formulate a policy.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, in view of the heavy unemployment figure and his answer of the other day, will the Minister of Industry now get the report from the interdepartmental committee and announce a policy in respect of shipbuilding which will alleviate the serious unemployment in shipyards in this country?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Again, Mr. Speaker, this is the same kind of approach as in previous questions. What we would like to do is to rationalize the industry instead of dumping money into it. We would like to rationalize it in order that the subsidies now being given will be more properly used than they have been in the past.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question.

Inquiries of the Ministry

The hon. Prime Minister said a while ago, with regard to the unemployment problem, that there were better ways than winter works to achieve prosperity. He spoke of a lot of projects in other provinces, but did not speak of Quebec. I should therefore like to ask him what steps have been taken in the province of Quebec to help check the unemployment that exists there also?

Mr. Trudeau: Mr. Speaker, with regard to Quebec, we signed an agreement barely six or seven months ago with that province setting up a program under ARDA for the Gaspé peninsula and the lower St. Lawrence. On that occasion, the federal government agreed to pay something like $212 million, as compared to, I believe, $46 million for the province of Quebec. That indicates that the federal government is doing much more in that part of the country than it is doing in many others, and certainly much more than the province of Quebec is doing itself.

Some hon. Members: Hear, hear.

Mr. Fortin: Mr. Speaker, I rise on a question of privilege.

The statements which have just been made by the Prime Minister suggest that Quebec refuses to help itself and I wish to object to such an allegation, because Quebecers then feel that they are in an inferior position in this house.

I would like the Prime Minister to stop acting in an arrogant manner with Quebec and to provide some assistance in areas such as the eastern townships—

Mr. Speaker: Order. I must remind the hon. member that there is no question of privilege. I do not see how parliamentary privileges of the hon. member are affected by the statement of the Prime Minister.

Mr. Trudeau: With the exception, Mr. Speaker, that my privileges are affected—

Mr. Speaker: Order.

Mr. Trudeau: —The member is accusing me—

Mr. Speaker: Order. I think it would be preferable to drop this matter. I pointed out to the hon. member that there is no question of privilege. May I remind him again of what I said just a few days ago, to the effect that the question of privilege has been too often abused. All hon. members should keep in mind the suggestion I made at the time, that we should not rise on a question of privilege unless there are very serious reasons to do so.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to very earnestly ask the Prime Minister, in view of the persistent unemployment, accompanied by persistent inflation, whether he will seriously review with his ministers the adequacy of present policies and, at a date convenient to him in the near future, make a statement to the house in respect of the proposals the government will make. There is obviously a difficult situation in the country which the government must face having regard to achieving an adequate rate of growth to meeting inflationary pressures. I ask most earnestly for a comprehensive statement in the near future as to government policy in this regard.

Mr. Trudeau: Mr. Speaker, on the inflation side of the question, as the Minister of Consumer and Corporate Affairs indicated on a previous occasion, we are preparing a white paper. The minister has already referred this white paper on control of inflation, prices and economics to the cabinet. This is now in the process of being considered, and we hope to be in a position to table it in the coming days or weeks.

On the other side of the question in respect of the problems of growth in the economy, we are very concerned. We want to sympathize with the Leader of the Opposition in his suggestion that capitalism in the market economy has broken down and we feel there are some steps—

An hon. Member: There was a day when you would not have said so.

Mr. Trudeau: We feel there are some steps to be taken short of replacing the market economy by a totalitarian or directed economy. These steps have to do with regional development as a process, and we have now set up a department for this purpose.

An hon. Member: What is it doing?

Mr. Trudeau: The department is doing the kind of things I was mentioning a moment ago in answer to the question. In answer to the question I can say I agree that at some point we—

Mr. Speaker: Order please. I understand the question was whether a statement would be made at a later date.

Mr. McGrath: I have a supplementary question.

Mr. Speaker: I wonder whether the hon. member might not allow other hon. members to go on to another question.

Mr. McGrath: With great respect, Mr. Speaker, my supplementary question is of great urgency to all Canadians. I should like to direct it to the minister of consumer affairs. In anticipation of the white paper referred to by the Prime Minister will the minister launch an investigation into increasing automobile prices and decreasing automobile warranties in Canada?

Mr. Speaker: My understanding also is that this question was asked yesterday.

Mr. McGrath: There was no answer.

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Mr. Hyl Chappell (Peel South): Mr. Speaker, having now met with representatives of over 150,000 people from Muskoka to Etobicoke, all of whom opposed and rejected the proposed expansion to the Toronto international airport, will the Minister of Transport now abandon this proposal?

Mr. Speaker: Order, please. It seems to me that the way in which the question is asked—would the hon. member resume his seat? It seems to me the hon. member is making a proposal or a suggestion to the minister rather than asking a question, and I doubt whether the question asked in this way is in order.

Mr. Chappell: Perhaps I might reword the question, Mr. Speaker. Has the minister made any decision which he can announce involving this proposed expansion?

Hon. Paul Hellyer (Minister of Transport): As indicated to the house a few days ago, I am now in the process of reviewing this whole situation in respect of the proposed expansion of the Toronto international airport. I have been looking at the evidence which has been collected and at the reports of meetings which have been held with officials of the municipalities and the province. I have talked to a number of groups representing citizens in the area. I had a talk with the responsible ministers in the province of Ontario. I hope that within a very few days we will be in a position to announce the decision of the government with respect to this matter.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. In view of the fact that there seems to be great difficulty facing the government in the expansion of the airports at Toronto and Montreal, will the government give serious consideration to the building of a new, super jet airport halfway between, preferably in the area of Trenton and Picton—

Some hon. Members: Oh, oh.

Mr. Hees: —which is an area admirably suited to such an airport?

POST OFFICE DEPARTMENT

COMPLAINTS FROM FARM PUBLICATIONS AS TO INCREASED RATES

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to direct a question to the Postmaster General. In light of the statement yesterday by Mr. William Bradley of Regina, Saskatchewan, publisher of the newspaper *The Westerner*, the official publication of eight livestock groups on the prairies, that the publication will have to close down on January 1, 1969, because of the high increase in postal charges, will the minister take this matter under consideration to avoid the serious close-down of this very important publication?

Mr. Speaker: Order, please. The hon. member is making a recommendation or suggestion to the minister, rather than asking a question. I would think we have to assume that his suggestion has been noted.

Mr. Southam: Mr. Speaker, all I am asking is that consideration be given to this matter.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the facts as stated by the hon. member are accurate. We have been carrying 3,758 copies of this twice monthly newspaper for a total revenue of $5, which is not a very profitable operation. The cost will go up to about $187. We have estimated that if the livestock breeders increased their subscription rate by $1.10 a year they could easily pay for the additional postage. Apparently they do not consider that the paper is worth $4 instead of $3.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Gordon Ritchie (Dauphin): A supplementary question for the Postmaster General. Has the minister received representations from other farm newspaper groups?

Mr. Kierans: We hear from different newspapers from time to time, Mr. Speaker.

Mr. Speaker: Order, please. Again I wonder whether it is in order simply to ask whether representations have been received.

[*Translation*]

[*Later:*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the hon. Postmaster General.

Could the minister tell us whether he has received a letter from Mr. Mercier, president of *Les Quotidiens du Québec, Incorporé* protesting against the unfair treatment of commercial information newspapers in Canada. Does the minister intend to take steps to correct that injustice?

Mr. Speaker: The hon. member is asking a question similar to another one which was asked a moment ago. I wonder whether I should have allowed the first question; however, having done so, I think I should allow the hon. minister to answer the question put by the hon. member for Abitibi.

Mr. Kierans: Mr. Speaker, I have received a letter from Mr. Mercier and we are now drawing up a reply.

[*English*]

GRAIN

INQUIRY AS TO AVAILABILITY OF BOX CARS

On the orders of the day:

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Transport. On Friday, November 29, the minister stated that the availability of box cars was not a limiting factor on the movement of damp grain. In view of the large number of delivery points where the initial one bushel quota on dry grain cannot be delivered because railway agents say that box cars are unavailable, will the minister now tell the house whether that problem has been investigated, and if not, whether it will be investigated?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, if my hon. friend will give me specific instances where that is the case we will be glad to make representations to the railroads and see if we can alleviate the situation.

[Mr. Kierans.]

SASKATCHEWAN—REPORTED INADEQUATE DRYING FACILITIES

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct my question to the Prime Minister. In view of the wire sent to him by the leader of the opposition in the Saskatchewan legislature, pointing out the need for the installation of additional drying equipment in Saskatchewan, what action does the government propose to take?

Right Hon. P.-E. Trudeau (Prime Minister): I am not aware of the telegram, Mr. Speaker. I will inquire about it.

BILINGUALISM AND BICULTURALISM

POLICE INVESTIGATION INTO LEAKS OF COMMISSION REPORTS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Prime Minister in connection with the interrogation of the reporter Lysiane Gagnon of the newspaper *La Presse* and the searching of the premises of her parents and an acquaintance of her sister. Will the Prime Minister tell the house under what authority this investigation is being carried out, and why?

Mr. Speaker: Order, please. The way the question is asked leads to some doubt in my mind as to whether it is in order. The hon. member is seeking a legal interpretation and asking under what authority an investigation is being carried out. I have some doubt whether the question can be accepted in those terms.

Mr. Alexander: Perhaps I can rephrase the question, Mr. Speaker, because of the urgency of the matter in terms of the freedom of the press. I wonder whether the Prime Minister could advise this house why an investigation is taking place right now, in view of those circumstances?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I suppose this question would be more properly answered by the Solicitor General when he is in the house, but I can answer in a general way. It goes back to a question asked, I believe, a month or two ago about documents which appeared to be obviously stolen from the royal commission on bilingualism and biculturalism. At the time I believe I asked the Solicitor General to inquire into it. He has proceeded therefrom. I have no last word report on the matter. I

imagine a search was carried out under the authority of a search warrant, but I have no immediate information on that.

Mr. Alexander: A supplementary question, Mr. Speaker. I wonder if the Prime Minister could advise the house whether this particular matter is under the direct supervision of himself or any other minister. If it is not under the direct supervision of the Prime Minister, which minister is involved? Further, would the Prime Minister undertake to have the Solicitor General make a statement to the house in respect to the entire matter?

Mr. Trudeau: Mr. Speaker, in the second part of this question the hon. member has answered the first part. It is the Solicitor General who is concerned with this matter. I am sure he will have no objection to answering questions which are asked of him on the matter.

EXTERNAL AID

BIAFRA—SUGGESTED DONATION OF SURPLUS FOOD AS CHRISTMAS GIFT

On the orders of the day:

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Secretary of State for External Affairs, but in his absence I will direct it to his parliamentary secretary or the minister responsible, who may have to take it as notice. Would the government of Canada consider a donation on the part of Canada of surplus foods for a Christmas ship which is scheduled to leave New York for Biafra early in January?

BIAFRA—RECALL OF HERCULES AIRCRAFT

On the orders of the day:

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I have a question for the Prime Minister. Since the last relief Hercules aircraft is scheduled to return to Canada, could the Prime Minister tell us whether the government has abandoned hope of an agreement with Colonel Ojukwu regarding daylight flights?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, it is not that we have abandoned hope, but the hope is not as bright as it was a month or two ago when we conveyed this daylight proposal to the house. We still have had no adequate explanation, in our minds, why the daylight flights would not have been acceptable to help the starving people of Biafra. But the Hercules had to be rotated at any rate, and we thought this would be an occasion to do it, because it was sitting there inactive. We will now be awaiting further information on it.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. In view of the difficulties our government has had in getting some clear statement from Colonel Ojukwu on the matter of daylight flights, I wonder whether the government is giving consideration to or whether it has already initiated some kind of direct communication with Colonel Ojukwu in order to clear up these difficulties.

Mr. Trudeau: Mr. Speaker, the house knows the reasons this government is not entering into direct contact with rebel forces in a friendly country. I repeat what I have said; apparently Colonel Ojukwu has many friends in this country, some of them sitting on the opposition benches, and perhaps they would be able to convey a message to him or at least give us some satisfactory explanation.

Mr. MacDonald (Egmont): I rise on a point of privilege, Mr. Speaker. This is not the first time the Prime Minister has indicated in some indirect way that members in this house have some special access to Colonel Ojukwu. I would be glad if the Prime Minister would indicate who these members are; and whichever of these gentlemen would be acceptable perhaps the government would make some arrangement for that person to travel to Biafra to consult with Colonel Ojukwu.

Mr. Speaker: Order, please. I suggest this is not a question of privilege.

CANADIAN BROADCASTING CORPORATION

PROGRAM RESPECTING POLLUTION PROBLEM AT DUNNVILLE, ONT.

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. In his absence perhaps the parliamentary secretary would take it as notice. In view of public concern arising from the hit and run tactics of the C.B.C. in its treatment of the pollution problem at Dunnville, would the minister consult the C.B.C. and make an early report to the house on the matter?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, I will be glad to bring this matter to the attention of the minister. I expect he will be in the house on Monday to answer any questions of the hon. member.

Inquiries of the Ministry

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, when the parliamentary secretary is bringing this matter to the attention of his minister will he find out why the Canadian Broadcasting Corporation failed to respond to the invitation of the chairman of the commission investigating this situation?

Mr. Stanbury: I will be pleased to have that matter looked into, Mr. Speaker.

CANADIAN CONSTITUTION

DECISION OF B.C. GOVERNMENT TO PUBLISH PROPOSED BRIEF

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Prime Minister. My question arises from the rather unusual position of Premier Bennett of British Columbia, who announced that on Monday he is going to make public the brief which would have been presented to the federal-provincial conference on that date, and his allegation that federal-provincial problems are of such a nature they cannot wait until February. I ask the Prime Minister if he can comment on this situation, and whether there will be any answer to the allegation that federal-provincial problems are of such a nature they cannot wait for two months.

Mr. Speaker: Order, please. I do not believe it is in order to simply ask the Prime Minister whether he cares to comment on the situation. I do not believe the question is acceptable in this form. I should like to bring to the attention of hon. members that we have just about reached the end of the question period.

Mr. Winch: May I ask a supplementary question?

Mr. Speaker: Perhaps we might go on with the supplementary from the hon. member for Vancouver East.

Mr. Winch: Will the Prime Minister say whether he has been notified that on Monday the premier of British Columbia is going to release his brief which was intended for the conference which has now been postponed; and has he any comment to make on that?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, I have received this morning, I believe, a telegram from the premier of British Columbia indicating that he would release the brief as indicated by the hon. member. No comment, Mr. Speaker.

[Mr. Stanbury.]

Mr. Robert Muir (Cape Breton-The Sydneys): I have a supplementary question, Mr. Speaker. In view of the release of the British Columbia brief by Premier Bennett, will the Prime Minister make public the federal position papers now rather than later?

Mr. Trudeau: Mr. Speaker, the house was told yesterday in answer to a question that we are seeking some kind of consensus on this. So far as I can see the consensus is mainly, and very strongly, against publication. I do not believe this binds everyone, and certainly a province is entitled to proceed as it wishes. So far as the federal government is concerned, we see the wisdom as other provinces do of not jumping the gun, as it were. I am still hopeful that we will reach a date which will be acceptable to all provinces for the resumption of this conference, and once that is done we can begin to discuss again the question of publication.

HOUSE OF COMMONS

ATTENDANCE OF MINISTERS DURING QUESTION PERIOD

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): I rise on a point of order, Mr. Speaker. In view of the fact that the Minister of Finance was supposed to be in the house today and is not here, may I ask the Prime Minister if he would ask him to be here on Monday as there are questions we would like to ask him? According to the roster system he would not normally be here until Wednesday.

Mr. Stanley Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. On Tuesday of this week I asked the Prime Minister a question concerning guarantees to employees of Air Canada at Winnipeg, and the Prime Minister asked me to put the question to the Minister of Transport. On Wednesday the Minister of Transport was here during the question period but the question period was short and I was unable to put my question. On Thursday he was not here. Today he was here, but I could not get the floor, and now he has gone until next Wednesday. If he were here, Mr. Speaker, I would ask your consent to put the question now. However, I wonder if, on my point of order, I could have the assurance of the Prime Minister that somebody will be ready to answer the question on Monday; because the Minister of Transport will not be here until Wednesday of next week.

Right Hon. P.-E. Trudeau (Prime Minister): I believe the question is directed at you, Mr. Speaker. The Minister of Transport was here, but perhaps the hon. member for Winnipeg North Centre did not catch your eye.

Mr. Hees: May I have an answer to my question, Mr. Speaker, with regard to the Minister of Finance?

Mr. Speaker: Order. When the hon. member for Prince Edward-Hastings rose I thought he was rising on a point of order. I did not expect he was rising to ask a question. I think the hon. member for Winnipeg North Centre has a supplementary question to ask on his point of order.

Mr. Knowles (Winnipeg North Centre): On the point of order, Mr. Speaker, I am pleased to note that the Minister of Transport has now come back into the chamber. Even though the time for the question period has expired, in view of the fact that he will not be back until Wednesday I wonder if you would permit him to answer my question of last Tuesday, as to whether guarantees have been given to Air Canada employees at Winnipeg regarding their jobs, seniority and other rights they now have.

Hon. Paul Hellyer (Minister of Transport): These things are to be negotiated between the company, the union and other interested parties during the course of the next few weeks. I am not in a position to make a categorical statement at this time. I hope the arrangements which are made will be satisfactory to all the parties involved. I hope this can be achieved with a maximum of co-operation and a minimum of acrimony or difficulty for any of the people who are directly interested in this affair.

Mr. Knowles (Winnipeg North Centre): Does that mean that the assurance given in the press release last Friday is not really a guarantee?

Mr. Speaker: Order, please. I think the supplementary question is a form of debate.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker—

Mr. Speaker: If the hon. member wants to ask a supplementary question I think I must remind hon. members that the time for the question period expired a long time ago. I really do not feel it should be prolonged much longer.

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I was recognized once but when a supplementary question was asked I had to withhold my question. I think my question is urgent.

Mr. Speaker: I have no authority to allow the question period to go to the extent it is going now, beyond the time allocated, unless there is unanimous agreement.

Some hon. Members: No.

Mr. Speaker: It appears there is not unanimous agreement. If this will help hon. members, I might say I have noticed a number who apparently are anxious to ask questions, and I will give them the first opportunity on Monday afternoon.

Mr. Knowles (Winnipeg North Centre): The ministers will not be here.

Mr. Cadieu (Meadow Lake): The Minister of Agriculture is here today. This is a very urgent question, and I will not get a chance to ask it until some time later.

Mr. Speaker: Perhaps the hon. member might communicate directly with the minister. The Chair does not make the rules. The rules are there for the Chair to administer. The rules provide a time for the question period, and that time expired ten minutes ago, and I think I have gone beyond the bounds of leniency. In spite of the fact that the hon. member has an urgent question, I feel we should go on with orders of the day. I will make a special effort to see the hon. member is given an opportunity to ask his question early on Monday.

Mr. Bell: On the point of order, Mr. Speaker, may I say I fully agree with Your Honour that you have no alternative but to enforce the rules. However, I should like to point out that ministers are not here on the days they are required to attend in the house. For example, this week the Minister of Transport missed one of the days he should have been here. I had a very important question to ask him and I waited, but I could not catch your eye. It could be the case that the minister will not be here next week. We will then recess over Christmas and will not have the chance to raise these urgent matters that affect transport problems. May I also point out that on the few days he is here he should not get up in the middle of the question period and leave the house.

Motion for Concurrence in Report

Mr. Hellyer: Mr. Speaker, on a question of personal privilege, I had a very urgent telephone call that I felt I must take in the national interest. That was the reason for my very brief absence. I should like to give my hon. friend the assurance that, health and weather permitting, I will be here on my three days next week.

Mr. Bell: Mr. Speaker, may I also say that I wish the Prime Minister would require the people in the galleries who are making an attendance record to note when the Minister of Transport is not here, and also see that the minister makes up this time later.

Mr. Speaker: Order, please.

Mr. Muir (Lisgar): Mr. Speaker, I rise on a point of order. Yesterday the Minister of Agriculture denied a statement I had made that little improvement in the movement of box cars for transporting damp and tough grain had taken place. May I report to the minister that no cars for the transport of tough and damp grain have been delivered to my local elevator.

Mr. Speaker: Order. That is, of course, a point of debate.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed, from Thursday, December 12, consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in, and the amendment thereto of Mr. Stanfield (p. 3762).

Mr. John Burton (Regina East): Mr. Speaker, before the debate was adjourned last night I had made reference to the remarks of the Prime Minister (Mr. Trudeau) on Tuesday evening, as reported at page 3787 of *Hansard*, in describing the business transacted so far in the current session. The Prime Minister said:

> In this session we have already allowed three months to go by and only passed nine measures.

Then I went on to described some of the events in the house over the past three months. I noted that in fact some 35 or more days had been absorbed by house business involving important items such as the throne speech debate, the budget debate, all the items of supply and the establishment of the two procedure committees. I went on to outline the very valid use of time in considering the legislation that has been presented by the government to date.

In my view it would be regrettable if the Prime Minister, his cabinet ministers or other members were to leave the faulty impression that parliament has been dragging its feet. It should be noted that parliament has disposed of the following items of business, regardless of whether members agreed or disagreed in part or in whole with any or all of the particular measures that have been disposed of.

First of all, the throne speech was completed in less than the allotted time. It is important that this debate be maintained because it affords members on both sides of the house the opportunity to debate the state of the nation. I disagree with those who suggest that this debate is of little value. It affords all members the opportunity to take an over-all view of Canada's affairs and also to present specific problems of importance to their own constituencies. If for any reason the debate on the speech from the throne dragged this year, then with all respect I would suggest that this was due, first of all, to the warmed-over soup that was dished up in the speech from the throne and, second, to the dishwater type of presentation made by cabinet ministers in dealing with the issues facing the country. Only the Prime Minister and three cabinet ministers chose to take part in the debate and to present any ideas about the new society of which we have heard so much.

The second item of business disposed of was the presentation of the budget and the budget debate. This is one item that was delayed as a result of the Prime Minister's decision to call an election. The budget can be regarded as the single most important item of business to be dealt with during a session. Considering the impact of the budget on the economy, debate is critical. In fact, a good case can be made for saying that the time allotted to the debate this year was inadequate, that further time was required.

The third item was the passage of interim supply. Again this was necessary because of the dissolution of parliament earlier this year. Matters that were debated at that time did require further debate.

The fourth item dealt with was passage of supply for 1968-69. I am sure members will agree that the voting of some $10 billion worth of expenditures is a major and most important item of business. The present procedures provide for a specified period of

time for the consideration of supply. I am sure most hon. members agree that the discussion carried on during this period is useful and needed. New procedures for handling supply are now being proposed and I share the doubts of many members in regard to them. Nevertheless, I am prepared to try these new procedures, subject to adequate consideration of them now and a further review in the future.

The fifth item disposed of was the establishment of the procedure committee and the committee on statutory instruments. Debate was essential because of the importance of the operations of parliament, which is a critical factor in the functioning of democracy as has been demonstrated by the debate that is now under way.

The sixth item was passage of one private bill and limited consideration of other private bills and resolutions. I recognize that consideration of these measures comes under the heading of private members' business. However, we must not lose sight of the fact that these measures are an important part of the business of parliament.

The seventh area dealt with was passage of the Farm Credit Act amendments. This was a controversial piece of legislation and considerable debate on it took place. Indeed, there will continue to be debate on the real value of the measure which was passed. Nevertheless, it was passed and I am sure government members are now trying to take some credit for it wherever that is possible. If extensive time was used for that debate I suggest it was not only due to the controversial nature of the subject matter but also to the unwillingness of the government to provide information on the matters under discussion until it was pried out of them in lengthy debate.

The eighth item was passage of the Farm Improvement Loans Act amendments. Again this legislation was controversial and will continue to be a source of controversy. Regardless of the views that we hold about it it must be regarded as an item of business that has now been disposed of by this house.

We also dealt with the Post Office Act amendments, the Publication of Statutes Act, which was certainly regarded as an important measure, a Canadian National Railways branch line construction bill which was given priority by the government, as was the Judges Act, the Canadian National Railways financing bill, which was important, and lastly the Customs Tariff Act. When that act was introduced in the house by the parliamentary secretary to the Minister of Finance he described it as being of historic significance to Canada.

Finally, we completed the resolution stage of the official languages bill, the amendments to the Bretton Woods Agreements Act and to the Farm Machinery Syndicates Credit Act. We have also had part or all of the minister's speech on second reading of the bill to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act, as well as the minister's speech on the resolution to establish the freshwater fish marketing board.

Whether I happen to agree with all or part of the measures that have been passed is immaterial to the point now under consideration. The point is that these are major items of business that have been disposed of by the house. In fact, I could spin out the list even further because other items might also be included. Not without note is the work of some of the committees and the prior steps that are required to be taken by parliament to put the committees to work. Any suggestions by the Prime Minister or other hon. members which would deliberately downgrade the work of this parliament would be a disservice to this house and constitute a misrepresentation to the country.

• (12:10 p.m.)

During this debate the operation of our parliament has been compared with the operation of the parliament at Westminster. In any such discussion we must keep in mind that the two parliaments are of different size; here we have 264 members and at Westminster they have 625 members. Also, England for the most part may be termed a homogeneous country in which geographic factors play a limited part. The English government is a unitary government. On the other hand, Canada is much larger and is split up into basic physical and economic regions. We have a federal government. There are differences in the operations of unitary and federal governments. Certainly our federal type of government means that government work may become more complex, and that will be reflected in parliamentary work at all stages. Because of the complexity of the considerations any parliament in Canada must deal with and because of the many viewpoints which must be heard in debate in this country it is necessary to remember that there is a significant difference in the make-up of the Canadian and British parliaments.

For instance, the people of Britain at the present time have decided that they want to be represented in their parliament by two parties, the third party being very small in terms of the number of members in that parliament. On the other hand, the people of Canada have decided that they want four parties basically to represent them at present in parliament. Regardless of the views of hon. members on the subject or whether they want this situation or not, this is what the people of Canada have decided. Parliament must therefore recognize the existence of several bodies of thought in this nation with differing political viewpoints.

A good deal has been said about the organization of house business. The hon. member for Vancouver Quadra (Mr. Deachman) in particular referred to the lack of organization of the business of the house. Some hon. members have implied that the opposition is opposed to planning the business of the house. I think we all recognize that there is a need to plan the operations of the house and if one looks at the wording of the amendment that is before us one will see that the principle of the need to plan the business of the house is accepted.

May I direct the attention of hon. members to part of the wording of the amendment before us. It recommends:

> —that proposed standing order 16-A be amended to provide that a motion to accept the decision of the proceedings committee shall only be made following the unanimous decision of the proceedings committee arrived at during a meeting properly convened upon adequate written notice.

The wording of the amendment moved by the Leader of the Opposition shows that we accept the principle that we must organize and plan the business of the house. What is proposed here is a change in the method or the mechanics of the operation which is essential to the fulfilment of that proposition. To judge from the remarks of some hon. members it appears they have not read the amendment or have not given it adequate consideration.

Reference has been made to the necessity of allowing more time in the house for the transaction of government business. I confess some sympathy with this point of view. I note that some hon. members have said that on some days after the house completed its routine business there was not much time left for the consideration of government business. It must be recognized that provision has been made to extend the opportunities under which the government may present its proposals to the house.

Some hon. members have spoken of the preliminary business of the house and orders of the day in a way which suggests they want these parts of the procedures of the house discontinued or diminished. The committee concluded, it seems to me, that the time taken on orders of the day is a valid use of the time of the house, and that questions on urgent matters ought to be presented. I trust that thon. members on the government side do not question the right of hon. members to ask the government questions on urgent matters.

A number of hon. members also spoke of private members' business and I agree with some suggestions put forward. We ought to consider changes which will make private members' discussions more meaningful. That part of the business of the house is important and we should not sacrifice it for the sake of allowing more time to be devoted to government business.

The proposed rule changes provide for added hours of sitting. They provide for the transfer of some items now before the house to committees and they also provide for the elimination of the resolution stage. On many of these matters most hon. members are in agreement. All the same, I do not think we ought to provide more time for government business at the expense of the rights of private members. We must consider the rights of private members, the backbenchers on both sides of the house. That those rights exist has been recognized by eminent authorities. I will not take time to quote from the well known work of MacGregor Dawson entitled "The Government of Canada" on the rights of private members of the house, but he says that those rights must be carefully considered and balanced against the needs of the government.

The principle contained in proposed standing order 16-A recognizes the need for the planning of the business of the house. Hon. members opposite do not seem to have supported the principle of planning in the past; yet now we find them in favour of it. Of course, if planning is carried out in a heavy-handed, authoritarian way it can be undemocratic. If proposed standing order 16-A as now worded is implemented, certainly that is the direction in which we shall be headed. The government seems to have mastered the technique of handling planning procedures and has gone ahead in a heavyhanded way to bring in the proposal now before us. This is not right. Of course planning can be carried out democratically if there is a process of

consultation—free collective bargaining, in effect—and finally agreement. When there is no agreement the differences in our various political philosophies come into play, of course, and then those differences must be debated. Controversial issues must be debated. Yet the question still remains, who is to say when we have had enough debate? Certainly the decision of that question should not be left to one side of the house or the other.

Much of what I have said has been said from the viewpoint of one newly elected to this house. I did not secure election to the House of Commons to participate in the strangling of this institution. I came here to participate in debate on the issues facing this nation and, after adequate discussion, to participate in decisions on proposals before this house. Standing order 16-A as presented does not meet this standard. For that reason I urge hon. members to vote in favour of the amendment now before us in order to ensure that a job partly done is well done.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I think hon. members on both sides of the house will agree that we have had an excellent debate on the motion now before us. I think the calibre of the debate was good and that the concern felt by hon. members was well expressed. Indeed, the discussion has been at a very high level during these past few days. I do not intend to deal with all the aspects of the committee report which is before us because it seems to me the main points of contention have been reduced to two. One is the question of supply and the other is the allocation of time, or programming, for which provision is made in proposed rule 16-A.

• (12:20 p.m.)

I have listened to the statistics which have been recited a number of times during the debate as to how well we have been doing this session. Hon. members pointed out that a lot of time was taken up by the debate on the Speech from the Throne, the budget debate, and so on, and suggested it was unreasonable to expect that more than nine or ten measures should get through in the number of days left for government business after all these things had been dealt with. What has not been said is that these other requirements are with us every session. The fact of the matter is that though we have been sitting since September 12 and then government measures have been dealt with, there are perhaps 37 more which the Prime Minister (Mr. Trudeau) has announced, plus whatever else may come along between the present date and the end of the session—possibly seven or eight more. In other words, we probably have between 40 and 45 more measures yet to deal with, some of them major in scope.

For example, major amendments are proposed to the Criminal Code. Again, later this session, some time in March or April, we shall begin consideration of the estimates for the 1969-70 fiscal year. We know this is a big undertaking and that there is a great deal of interest taken in these estimates by hon. members in all corners of the house. Thus, if the number of days which have been used up in the first three months of this session is to be a pattern for the balance of the session, we shall not get through half of our business, assuming that the session is to end in June. That is the important point.

We need a legislative program laid out for the house to see early in the session. It does not have to be completely programmed at that point, but there should be some indication of the way in which it is proposed to allocate the time available in order that measures may be brought before the house and hon. members given the opportunity to decide whether to accept them or not.

Mr. Burton: Would the minister permit a question?

Mr. Olson: Well, the hon. member has just finished his own speech. If I have any time left after I am through I shall be glad to answer his questions.

So I am not impressed by those statistics unless those using them tell the other side of the story too, and that has not yet been done as far as the work still before us for the balance of this session is concerned.

May I turn for a moment to the matter of supply and the objections which have been raised by the Leader of the Opposition (Mr. Stanfield) as well as by several other hon. members. I do not question their sincerity. I am a little surprised, however, that some of the people who were the stoutest advocates of setting up standing committees for the consideration of the estimates should now be retreating from that position.

Mr. Diefenbaker: Experience.

Mr. Olson: I am happy to see the right hon. gentleman back in the house. I understand he may enter the debate soon and I am sure his intervention will be useful in support of my argument. He and I share a common concern

for the right of all members of this house to consider matters of importance to them in their constituencies, and these matters can, indeed, be considered more effectively if we provide sufficient opportunity and an adequate forum. But I recall two or three sessions during which all the estimates were considered in this chamber in committee of supply. Consideration of them went so slowly that the estimates of many departments were never brought up until we were pressed, a few days before Christmas.

In 1963 the estimates of several departments went through without hardly a word being said despite the fact that a number of hon. members had questions to ask about them. This situation occurred because too much time had been spent on the estimates of other departments. The right hon. gentleman was prime minister in early 1963, and in January and February of that year he ran into a problem because far too much time was being taken on the estimates. The house was still voting interim supply although ten-twelfths or eleven-twelfths of the money had been spent. With this in mind, I am sure the right hon. gentleman will support my contention that this is not a good situation.

There are many advantages attached to referring estimates to standing committees. We know that when the estimates of the Department of Agriculture, the Department of External Affairs or any other department are before a committee of this house there is a fairly low attendance. But the members who are present are members who have specialized in the work of the department and who therefore take a keen interest in the debate which is taking place. However, if it is necessary to put all the estimates through the committee of supply and if members are obliged to stand in line waiting to speak, there is bound to be a great waste of time. It is now being proven that four or five standing committees can function concurrently reasonably well. This provides an opportunity for backbenchers and, indeed, for ministers, to attend the committees in which they are particularly interested and to question the senior officials of the department concerned as well as other witnesses, a most useful exercise in relation to what happens here on the floor of the house.

The 15th report of the special committee on procedure was introduced into this house on December 14, 1964. There are several members in the opposition who were on that committee. Moreover, no majority reports were filed; these were unanimous reports and it is therefore not possible for any hon. member who was on the committee to say he disagreed with the recommendations the particular report to which I have referred will be found in *Votes and Proceedings* for December 14, 1964. I quote:

> Your committee is of the opinion that the potential value of the committe system of the House of Commons is not being exploited to the full, particularly in relation to standing committees. The structure of the standing committees tends to be cumbersome and, in some respects, even archaic. Your committee is convinced that a fundamental reorganization of standing committees is necessary if they are to be revitalized and their effectiveness and prestige enhanced.

That is the opening paragraph. The committee then went on to deal with a particular matter. This is all I intend to quote. Paragraph 29 of the report reads:

> Your committee recommends that not more than 20 days be set aside for debating the main estimates in committee of supply. On such days it should be the right of the opposition to select the departments for discussion.

It is an easy task for anyone interested to look up the membership of that committee in 1964 and 1965 and determine that there was agreement among all those members that this was the principle upon which we should revise and restructure the committee system of this house. I am not going to continue speaking on this point because the provision of 20 days has been accepted. I know there were some additional days for supply motions and that sort of thing, but what is being suggested here in the present report from the committee is 25 days. Give or take a day or two, there is no question that members from every party in 1964 and 1965 agreed with the principle of what is now in the report of the special committee. So, Mr. Speaker, I hope this will be taken into account.

• (12:30 p.m.)

In my opinion there has been a very useful debate on proposed standing order 16-A, but I am sorry I am unable to follow some of the arguments that are advanced in the name of democracy, arguments stating that the minority somehow has a right to frustrate or hold back the majority that the people have elected. I cannot understand that argument. Surely democracy must include the right of minorities to be heard but also the right of majorities to decide.

All of the arguments that have been advanced by hon. gentlemen opposite have been predicated on the false assumption that

they have some right to hold up indefinitely the government that was elected. For a while that is right, but ultimately and finally surely the majority has the right to decide. Surely that is also the principle involved in having the Governor General call on the leader of the party that elects the greatest number of members to form a government.

Mr. Danforth: Nobody denies that.

Mr. Olson: Oh, yes. I think it was the hon. member for Peace River (Mr. Baldwin) who reminded the house that the combined opposition had obtained 55 per cent of the popular vote. Then he went on to argue that this gave them the right in fact to impose that on the majority government. I am sure he was not serious because surely he must represent all of the people in the Peace River constituency. I think I do in the Medicine Hat constituency, whether they voted for me or not, and I did not get 50 per cent. I am the one representative from that constituency.

I have not heard hon. members opposite put forward any other kind of plan yet. Are they talking about proportional representation or something of that nature? Is that the basis for this argument? If it is, certainly it is a rather difficult one to accept since it has always been the case that whichever party gets the most members, whether a majority or a minority of the members of the house, is called upon to form the government, prepare a legislative program and present it to the house.

I have said this before and do not want to say it again, but in the most conciliatory way at my command I point out that on June 25 of this year the people of Canada made a decision. It was not you or I. We tried to persuade them, but they finally decided who was going to represent them and who was going to form the government in this house.

Some hon. Members: Hear, hear.

Mr. Olson: Mr. Speaker, I think it would be the greatest abdication of responsibility if, after the people had given us on this side the responsibility, we should give it to the opposition. Yet that is the argument they are advancing, that they have some right to a great filibuster, to bring this institution to its knees. Mr. Speaker, this institution was set up by the people of Canada and surely above everything else we have to accept this fact. That is the fundamental of democracy.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Lewis: You should not only be conciliatory but also accurate.

Mr. Speaker: Order, please.

Mr. Olson: Mr. Speaker, I apologize to the hon. gentlemen opposite. I do not want to cause any disturbance but these are some cold hard facts that seemed to fit in that place in my speech. I am sorry if I irritated anyone.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Would the minister now permit a question?

Mr. Olson: Not just now. By the time I am through I guarantee that the hon. member is going to have some questions even more important than the one he is about to ask now.

Mr. Monteith: You are very proud of yourself.

Mr. Olson: I am proud of the proposal now before the house because I have worked on every procedure committee for the last four or five years. I am proud it has finally culminated in a motion that is now before the house for decision.

Some hon. Members: Hear, hear.

Mr. Olson: Mr. Speaker, we agree that minorities have a right to be heard within reason. We believe, and this is stated in the proposal, that there should be some reasonable programming. This has not been the practice in the past in any particular or legal way. There has been an understanding about the usual channels and that the house leaders would meet. But the government has the responsibility to move on with the programming if it is unable to obtain unanimous consent from the opposition, as it is now.

I think it is fair to say that the government, after being elected, not only has the right but indeed the responsibility to move on with a program of legislation as rapidly as the people of Canada want the government to do so. I do not think it is right for us to hold back on such matters as, for example, the provisions in the amendments to the Criminal Code and so on if the people want them simply because we cannot tidy up our rules to get on with that matter. I sincerely believe that.

Mr. Knowles (Winnipeg North Centre): Where is the bill?

Motion for Concurrence in Report

Mr. Olson: My hon. friend knows where the bill is. It is waiting until we dispose of some of the matters that we are obliged to attend to before the end of this year. He knows that.

Some hon. Members: Hear, hear.

Mr. Olson: Mr. Speaker, we have been impressed by a number of matters that came up in this debate. Indeed, hon. members opposite have had the opportunity to say what they think of the provisions of 16-A because I am advised that they refused to discuss it at all in the committee. If that is so, Mr. Speaker, then this debate has been useful because now we have—

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. That statement is not true.

Mr. Macdonald (Rosedale): I rise on another point of order. That statement is true.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. Hon. members know that the basis of our discussions is that we have to accept the statement made by an hon. member, so I assume we have to accept both statements.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. We discussed 16-A in the committee at great length. We had a vote on it. We tried to persuade the government to cut it off half way. All I am trying to make clear at this point is that the statement that it was not discussed in the committee was incorrect.

Mr. Olson: Mr. Speaker, I will accept that they perhaps discussed it but they refused to negotiate on the terms and conditions. There was a refusal to negotiate on the terms. They did not want to talk about it when they saw it.

Mr. Knowles (Winnipeg North Centre): Even that is not true. The minister cannot get away with that nonsense.

Mr. Olson: Mr. Speaker, it has been useful to have this debate in the House of Commons. As the debate has gone on we have been wondering if ways and means can be found to provide hon. gentlemen opposite with the kind of guarantees that they want, guarantees against the misuse or what they claim will be the misuse of the standing order, and to see if this can be done without continuing a situation that has become increasingly unsatisfactory for this house and the country. The Leader of the Opposition contended that the recommended standing order is faulty because it does not guarantee that notices will be given before the meetings of the proceedings committee. So in his amendment he deals with only that one point, that the reports of the proceedings committee should be unanimous.

• (12:40 p.m.)

The President of the Privy Council (Mr. Macdonald) has tried to make his point by stating that he would be quite prepared to have a gilt-edged rights requirement written into the standing order. There really is no difference on that point. Perhaps there never really has been. Hon. gentlemen opposite could have brought that up if they had chosen to negotiate the terms. But criticisms have been voiced that go somewhat beyond the one against which the Leader of the Opposition concentrates his amendment. We think these criticisms should not be passed over.

There is the matter of the quorum of the proceedings committee. No reasonable member of the house, I suppose, would suggest that the proceedings committee should be set up in such a way that it could be immobilized by the absence of its members. We think the house ought to be able to rely on something stronger than assurances that this would not happen. The reason for that is that things have not always turned out well despite the fact that on some occasions there has been some agreement among the house leaders on these matters. Hon. gentlemen opposite, particularly the hon. member for Winnipeg North Centre, know this. I know it because, without specifically pointing out anyone, this in fact has happened a number of times.

It has been suggested that this standing order as drafted would permit the government to prevent the house discussing the full order of government bills. We wonder whether that objection can be met without going back to the kind of chaotic condition that has prevailed before. Both inside and outside the house the criticism has been made that the government should make more frequent use of standing order 33, the closure rule. But all members of the house who are familiar with the rules know that that rule is very awkward so far as legislation in concerned. I was very impressed by the speech of the hon. member for Sudbury (Mr. Jerome) when he quoted the authorities in respect of the

difficulty in that regard. What we are suggesting is that in relation to any particular bill any motion for the allocation of time under standing order 16-A would apply to only two stages of that bill.

Perhaps what I ought to do now is read a draft I have so there will be some precision in what we are proposing in order to deal with some of these arguments which have been advanced. There may be some small change which might have to be made later. I wish to say that we give the undertaking that this is the way in which the provisions of standing order 16-A will be used in this committee report is concurred in by the house. So I should like to read very slowly the proposals we are now suggesting:

16A (1) There shall be a continuing committee to consider the making of arrangements in relation to the calling, consideration and disposition of the business of the house and its standing and special committees.

(2) The committee shall be composed of the house leader or other minister who, in either case, shall be chairman, and a representative of each other party in the house. A majority of the members of the committee shall constitute a quorum.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Olson: I knew that was going to happen.

Mr. Lewis: I am not applauding yet. I want to hear the rest.

Mr. Olson: I continue:

(3) (a) Meetings of the committee shall be convened by the chairman from time to time, and ordinarily the committee shall be convened on the first and third sitting days in every week. (b) The chairman, from his place in the house may give oral notice of proposed meetings of the said committee, but, in every case, written notice of any such meeting shall be laid upon the table of the house and the same shall be printed under the heading "Meetings of Committees" on the notice paper attached to the *Votes and Proceedings* of a sitting preceding the day on which any such meeting is to be held.

(4) When "Motions" are called in the fourth sitting day in any week, a motion may be proposed, without notice by a minister of the crown, for the purpose of ordering any arrangement for the calling and the allotting of time to the consideration and disposition of any item or items of the business of the house or its committees.

(5) Every such motion stated to be made in pursuance of the unanimous decision of a meeting of the committee shall be forthwith decided, without debate or amendment—

That is if it is unanimous.

—but the "yeas" and "nays" shall not be entered upon the minutes, unless so demanded by ten or more members rising in their places to oppose such a motion.

(6) When, pursuant to section (3) of this order, a meeting of the committee has been convened but the committee is unable to function because of a lack of a quorum or when a meeting of the committee is unable to come to a unanimous decision in relation to a proposed arrangement of business, any motion that may then be proposed by the chairman shall be forthwith decided without debate or amendment, except that when ten or more members rise in their places to oppose any such motion, the same shall be transferred to and considered under government orders.

(7) When an order for the consideration of a motion made under section (6) of this order is called, the minister who has proposed the motion may speak first, but no member may speak for more than twenty minutes, and unless the question has been previously disposed of, after two hours of debate thereon, the Speaker shall interrupt the proceedings and forthwith put every motion necessary to decide the main motion.

(8) Except when a motion is made in pursuance of the unanimous decision of a meeting of the committee, any order sought pursuant to the provisions of this standing order shall be confined to no more than two stages in the process of considering any bill or bills or other items of business, but any bill or bills may be the subject of more than one order under this Standing Order.

Mr. Speaker, I do not wish to take a great deal more time. I think it is fair to say that if these suggestions meet with favour in the house—

Mr. Lewis: Mr. Speaker, I am not seeking to take the minister's time, but I wonder whether he would answer a simple question for information in respect of what he has just read. Is it the intention of the minister and his colleagues that these suggestions go back to the committee which considered the report now before the house and, if so, would the government agree that that be done and this debate end?

Mr. Olson: Mr. Speaker, the hon. member has anticipated precisely what I am going to say now. If these suggestions meet with the favour of the house they could be implemented without too much trouble. If the amendment proposed by the Leader of the Opposition were to be withdrawn, the way would be open for the house leader to speak again and I am sure he would want to make two commitments to the house. The first would be that immediately after the standing committee on procedure and organization proposed in the reports now before us has been established, a motion would be proposed to the house instructing that committee to revise standing order 16-A in accordance with the proposals I have just now read. The second commitment that I think the house leader is prepared to

make would be that if standing order 16-A were used during any period between the adoption of the reports and the time when the report of the standing committee on procedure and organization made pursuant to that instruction was adopted by the house it would be only with faithful attention to the proposals I have just now read.

Mr. Woolliams: How pious can you get?

Mr. Olson: The hon. member can talk about being pious but this government does not renege on its commitments.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Correct that sentence.

Mr. Olson: Mr. Speaker, this will be recorded in *Hansard* and I am sure the house leader and I will check very carefully what has been recorded in *Hansard* to make sure that the wording there is precisely what we intend as a commitment. So I ask hon. members to consider these proposals perhaps for a few hours, and when they have I think they will admit they are reasonable. They have met all the criticisms except the one that somehow the minority have the right to frustrate the government in getting along with its business failing an agreement in the procedure committee. We cannot accept a transfer of the government's responsibility to make decisions in so far as the business of this house is concerned if there is failure on the part of the procedure committee to come to an agreement. I think every other reasonable suggestion which has been made is included in the undertaking that we offer. Therefore I commend these proposals to the favourable attention of hon. members opposite.

• (12:50 p.m.)

Mr. Speaker: I understand the hon. member for Winnipeg North Centre is rising for the purpose of asking a question.

Mr. Knowles (Winnipeg North Centre): Yes, if I may, Mr. Speaker. The Minister of Agriculture was quite right in something he said a while ago. I will not ask the question I intended to ask earlier, but I will ask him one in respect of the memorandum he has circulated and read into *Hansard*. Apart from the formal provision for notice of the meetings of the proceedings committee, what difference is there between the wording in the report and the wording that has now been made known to us?

Mr. Diefenbaker: None whatsoever.

[Mr. Olson.]

Mr. Olson: Yes, Mr. Speaker, there is a difference in respect of 16-A. Paragraph, 2, for example, states:

> The member or members in attendance at any meeting of the said committee shall constitute a quorum.

That has been provided for, and there are many other changes.

Mr. Knowles (Winnipeg North Centre): I should like to ask what is the point of providing a majority for the quorum if you put in the order a provision to obviate the necessity of having a quorum?

Mr. Olson: We do not agree with that at all because there has to be notice. That was one of the objections raised at the meeting. I am convinced there has to be a majority of the members of that committee in attendance before we bring the motion in here. They have to reach unanimous agreement on the allocation of time for any item or items, and that is different. They have to bring this to the house. As I have said, and I say it as kindly and conciliatorily as I can, the government cannot transfer its responsibility to the opposition because it would then be abdicating its responsibility for bringing legislation before this house. That responsibility is given to the government. There was a great deal of argument raised about this.

This does not apply to the complete passage of any item but only to two stages, presumably the second reading and committee stages. There will always be another stage. There were arguments raised that when an issue is presented to the public as a result of debate in this house public opinion is generated or mobilized, if you like. There would still be a stage where this opinion could be presented to the house. The opposition and the government may be impressed by any consideration that is raised and that could be taken into account.

Mr. Lewis: Mr. Speaker, I should like to ask the Minister of Agriculture whether he does not agree that these new suggestions are made without expressing any view about what at this stage is precisely the kind of suggestion which should go back to the committee? You could then have a discussion and improve on the suggestions. Why does it have to be imposed on this house without going back to the committee?

Mr. Olson: There are two reasons for this, Mr. Speaker. If we were to send the revisions

to 16-A back to the committee without concurring in this report we would hold up the adoption of the other parts which hon. gentlemen say they accept to the extent of 95 per cent.

Mr. Woolliams: Let us approve of those now.

Mr. Olson: There are also some technical problems involved in taking this report apart, and hon. gentlemen know that very well. We have given a firm undertaking that this is the way 16-A will be used. We have given a firm undertaking that this proposal will be referred back to the committee on procedure as soon as it is set up, which would be soon. Hon. gentlemen know very well that we have to move ahead with this. We have been as conciliatory as possible in adopting all the suggestions—

Mr. Diefenbaker: The word "conciliatory" is just a cover-up for the word "tyranny".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the government consider, if perchance the amendment of the Leader of the Opposition were disposed of, moving an amendment to refer the fourth report back to the committee for the purpose of reconsidering rule 16A? In other words, I am suggesting that it go back for renegotiation rather than having something rigid imposed upon us. Would the government consider that as a way of resolving our difficulty?

Mr. Olson: Mr. Speaker, obviously the government considers any possibility. The fact is that we have come to the conclusion that we should adopt this report now because 95 per cent of it is acceptable, with the firm undertaking that we use 16-A as described.

An hon. Member: I thought you were being conciliatory.

Mr. Olson: You asked the question. We are and have been conciliatory to the point of meeting all the objections. I think that is conciliation. We have made adjustments and I think that we—

An hon. Member: It is one o'clock.

Mr. Speaker: Order, please. An hon. member has brought it to the attention of the Chair that it is one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am sorry I have not been here during the last two and a half days but some variety of flu, Hong Kong or otherwise, kept me at home. However, I have followed with the greatest interest what has been said in this debate. I have read all the speeches and have been greatly impressed by the quality of the arguments advanced. Indeed, while I will not cover all those to whom congratulation is due, I was very much impressed by the contribution made by the Leader of the Opposition (Mr. Stanfield). The standard he set has been followed throughout by members in all parts of the house, to some of whom I shall refer during the course of my argument.

I want to sum up the state of affairs as I saw it before the speech of the Minister of Agriculture (Mr. Olson) this morning. If the allocation of time proposed by the government is carried out, it will mean that the road to Canadian parliamentary serfdom will have been established to meet the ego of a power-hungry government. What is the concept? Where did it come from? What is the pedigree? It certainly was not from those who in the British tradition understand parliament. It was not from those in Canada who appreciate the meaning of this institution. They would never have countenanced this in the days of the greats of the past. Laurier, Borden, Meighen, King, Bennett would never have permitted, would never have dared permit the presentation to this house of a virtual bar on argument. It could have been conceived in a communist country, for under communism there is no opposition. It is said, of course—it is always so, and has been through the years—that those who would make shortcuts through parliamentary procedure are always able to assuage their consciences by giving reasons for the action taken. The reason given in this case is efficiency. I should point out that this was dealt with in the supreme court of the United States by Mr. Justice William Douglas when he said:

> History shows that governments bent on a crusade or officials filled with ambitions have usually been inclined to take shortcuts. The cause being a noble one (for it always is), the people being filled with alarm (for they usually are), the government being motivated by worthy aims (as it always professes), the demand for quick and easy justice mounts. These shortcuts are not as flagrant perhaps as a lynching, but the ends they produce

are cumulative, and if they continue unabated they can silently rewrite even the fundamental law of the nation.

Efficiency has always been an argument. We want to make parliament more effective. But parliament is not a corporation.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Parliament has a soul. Some theorists have always wanted to make it a corporation, with the prime minister as the managing director holding control over a majority of the stock, and with the rest of the shareholders being dominated because of that fact. It is of interest that at this very time when the government, under the leadership of the Prime Minister (Mr. Trudeau) and with the assistance of his Man Friday, the hon. member for Rosedale (Mr. Macdonald), is trying to crucify parliament, in the U.S.S.R. the intellectuals are doing everything they can to end the concentration of power in the hands of the few to the detriment of the many.

How the government can explain this, I do not know. I look at those men sitting over there on the government benches and ask myself, how can men like that do this to this institution? It is a spurious trick to emasculate parliament, to cow and eventually to render the opposition null and void. Martinets trying to hobble parliament do not get far, history shows. Today the iron hand has apparently been lifted and the velvet glove has taken its place. Nobody can do that better than the Minister of Agriculture, because he knows both sides of the house.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: He has been on this side of the house. He used to express views when he was on this side, and did much "social credit" to himself.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This is what he said in the House of Commons on May 20, 1965, as reported at page 1548 of *Hansard*. He was dealing with the question of rules and, as he told us today, he has had a wide experience. He sat on several committees. You know, it is a strange thing but there are some who, the more experience they gain, the more adamant their opinions become. What did he say in 1965? He said:

• (2:40 p.m.)

I suggest the government should reconsider some of these proposals so that they may be made clear.

[Mr. Diefenbaker.]

It should make some of the refinements that are necessary so that a ruthless government could not run roughshod over parliament—

Those are wise words. Physician, now that you are able to do so, heal thyself. Today the hon. gentleman produced a document, a substitute, as it were, for what has already been before this house these past few days. It is an interesting document. Never have I seen more words used to conceal an idea. The idea still remains, to throttle parliament. The only difference now is that the government, having created a chasm, is now afraid of the position and is going to try to jump over it in two jumps. This is a rather difficult thing to do.

What does this mean? It simply means that the government knows it is in trouble. The minister says that is not so, but then he turns to the President of the Privy Council (Mr. Macdonald) who silently works. This morning I noticed that the minister got advice from the President of the Privy Council. I say to the Minister of Agriculture as a fellow westerner: Don't take his advice unless you want to get into great difficulties because with all his smiling exterior one can almost see him as the Simon Legree of parliamentary rights. This document means nothing. A committee is going to meet and if it is unanimous when it meets, then that is fine. If it is not, the government says this is what we will do: we will only proceed by two steps at one time. We will only deal with two phases at one time of the four particular phases of legislation under the parliamentary system today. With the new rules this will mean the government will be able to act when we are on second reading, when the matter goes to committee, on the report from the committee and finally on third reading. This is meaningless. It is an endeavour to deceive the Canadian people, but not intentionally. The hon. gentleman would not participate in anything of that kind. However, the object was to fool, but it will fool nobody but the members of the government.

He says: "We want to make the House of Commons efficient and effective; the record has been bad in the past". This suggestion was analysed at length some years ago by one of the greatest parliamentarians in our time with the finest knowledge of parliamentary procedure in Canada, in keeping with that of the hon. member for Winnipeg North Centre (Mr. Knowles). I refer to another Winnipeg member, Colonel Churchill. He analysed this argument that we are not doing anything in parliament. Once more, I place a few statistics on the record to answer that fallacious

attempt at escapism on the part of the government. Here are the various sessions: From 1952 to 1963, in 14 sessions, the house got through 654 bills, either amendments to existing statutes or new legislation. This resulted in an average of 46 bills per session. What has been the position since? In 1964-65 the house passed 81 bills in a long session of 248 days. In 1965, in the 53 days before the former prime minister decided to get a majority by going to the country, the house passed 23 bills. In 1966-67 the house sat for 250 days and passed 119 bills. In 1967-68 the house sat 155 days and passed 49 bills. The record of the House of Commons of Canada is equal to that of any parliament in any of the commonwealth countries today. Yet day after day the government has preached this doctrine that there is something wrong with parliament.

The minister says: I give you this promise to do what I say I am going to do. I ask this house, do you not know that this government keeps its promises? I looked over at him, and he smiled. "This government keeps its promises". Ask the labour men in Winnipeg who are working in the overhaul base whether this government keeps its promises. I am sorry the Minister without Portfolio from Winnipeg is not here. I should like to ask for his assistance, and I know I would get it in reverse. During the election campaign he was saying: "We are going to carry out our promises". We have not heard a word since. I can understand that because today ministers are to be seen but not heard. Some, I have to say, we see but seldom as a result of the roster system. "This government keeps its promises". Well, one could go down the list but it is not my purpose to do that unless anyone is anxious. The promise, however, in connection with parliament was to bring about reform; that was the only promise. They did not dare tell the Canadian people what they had in mind, that they wanted to hobble this institution, that they wanted to shut down the opposition. They do not want to hear criticism. None of us like criticism.

Mr. Olson: Allocation of time was the main feature.

Mr. Diefenbaker: Allocation of time—this is the subterfuge. This is what it is called, but in fact it is a denial of the rights of parliament. I point out this to you, Mr. Speaker, that autocracy, tyranny and dictatorship are shadows that ever stand in the wings of even the freest of parliaments. In the absence of a strong opposition the cabinet is in a position in this house to bend any rule without regard to individual or minority rights. One has only to quote Bassett's book, "Essentials of Parliamentary Democracy", to be reminded of the fact. He said: "The opposition is not merely tolerated but it is treated as indispensable". This is not true of this government; they believe it is dispensable. The government want us to sit over on this side of the house and ask them a few questions which they will answer if they choose. They elude when they are asked questions, and in a number of cases they evade the truth. Ministers are here whenever the Prime Minister decides they may be permitted to come here.

• (2:50 p.m.)

According to Bassett:

> The democratic method is not that of securing formal agreement by enforcing acceptance of a minority or majority decree through the suppression of all opposition. On the contrary, differences are recognized and their adequate expression welcomed as a means of attaining voluntary and genuine accord.

That was the view of the hon. member for York South (Mr. Lewis) when he spoke.

> Without an opposition what would parliament be? It would degenerate into the arbitrary direction of public affairs by the executive and the bureaucracy. Minorities would stand unprotected, freedom would wither, individual liberty would be in jeopardy, and the unwarranted and oppressive invasion of private rights would grow unchecked. The government says that we would get efficiency; I say we would not get justice, freedom, equity or liberty.

Before the Minister of Agriculture spoke today I asked a colleague sitting behind me whether he thought the minister would make a counter-offer, whether he would retreat from the position taken by the government, whether he would make a strategic retreat on behalf of the government. But not at all. The minister indicated he was making not a strategic retreat but a pretence—"If we can get this over to the people, we will give them a second chance. We may be able to delude them".

The document that has been produced in this house is a sham, a delusion, a farce. It is an endeavour to cover the weaknesses of the position of a government whose members know in their hearts they are wrong, that is, unless they checked their consciences at the door before coming into the chamber.

Professor Jennings has been quoted before, but he has declared in regard to the parties that are represented in the house:

> The House of Commons is the oratorical battleground of those parties. The one supports and the other opposes the government. The one defends a policy and the other puts forward another. Any defect of administration, any weakness of principle or defect of practice, any blunder of politics, is soon brought to light and exhibited to the world.

That used to be so until the introduction of the roster system.

> The functions which Bagehot described are thus exercised through the competition of government and opposition. The "mind of the people" is expressed in different ways and through different forms because it is not and cannot be a single mind. Political education is real education because at least two points of view are always being put, and the elector has to choose between them. The other side has power to speak and therefore can and must be heard. The opposition demands that policies be formulated openly and consequences of policies revealed.

How can this government defend itself with rational arguments? Majorities have their rights, says the minister. Minorities have too. The majority does not override the minority roughshod because the habits of centuries have created a free people under the British system of government who dislike oppression even of minorities.

I should have liked to see the Prime Minister present in the house today. I know it is difficult for him to be here; I occupied that position and know how the many calls upon the Prime Minister require his absence from the house. However, I intend to deal with one or two phases in which he would be interested if he were here.

I hear it said that we have a new government, a new politics. I suggest it is the same government that has been in office since 1963, with a few changes. It has the same philosophy—a pathological refusal to accept the opposition that was characteristic of the party opposite in the days of the Defence Production Act and the pipe line debate. Hon. gentlemen opposite claim it is a new government, but would you, Mr. Speaker, call a second-hand automobile on which a new steering wheel has been installed a new automobile?

In 1945 those who were endeavouring to undermine the state abolished habeas corpus: it was an obstacle. What we have today is a repetition of the fights of the past. For the Liberal party is unrepentant. It is still the party of the pipe line debate. Whatever the government opposite want they can get because they can count more heads.

[Mr. Diefenbaker.]

I remember last February when the government went down to defeat and should have been out. The Prime Minister, the minister of justice of that day, declared: "We are the masters of the house". That was said when they were in a minority in the house. Today they have a majority and they are going to show us what it means to be masters. In February hon. members opposite said: "If we are defeated we will decide either before or after the vote whether it is to be a vote of confidence."

The house has been going from bad to worse. Hon. gentlemen opposite reform and rewrite everything today. Just think of Charles I who went to the houses of parliament at Westminster and tore out two pages from the record of the House of Commons! I thought of that incident the other day when the question regarding the committee on transport came before the house. It was history repeating itself.

The party opposite has changed the record on more than one occasion. If the Prime Minister were here I would go into the details, but they were fully set forth in an article by Mr. Patrick Nicholson on March 19 last. However, I have always made it a point not to do things like this in the absence of those of whom I speak.

This reformation process goes on, even in the matter of books. The Canada Year Book for 1967, as at February of this year, disclosed that if the government were defeated on a vote of confidence it would be out of office. The new Canada Year Book which was published the other day has changed that statement. So it is a question of changing the record, of treating the House of Commons with infinite contempt.

I will have something to say in a moment when I explain what is actually happening in regard to the Prime Minister's statement that only certain ministers shall attend in the house. As he outlined his plan it was reminiscent of a professor speaking to a freshman class. The government seems to be following a course that is designed to bring about in Canada the United States system of congressional government. They start off with a few ministers not being here and not answering to the representatives of the people as required under our system. It is not a far step from that for the Prime Minister to say, "We have reduced the number of ministers attending to three or four." It is obvious that this is happening. *Time* magazine says: "Everything Liberal is fine." Oh, yes; according to the

Canadian issue of *Time*, not distributed in any other part of the world, everything is fine.

• (3:00 p.m.)

We have flippancy, in the answers to questions, that would never have been accepted in the days of Laurier, Borden or the other greats of our country. We have frivolity in place of information and, finally, the setting up of a new body which will preside over desks of information. I do not want to be abusive but I think that body deserves a name: Trudeau's snoop troop.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: They are the snoop troop. We do not know yet who is paying them but whatever they get they will have earned. They stretch across the country; indeed, one might almost call them the distemper of our time.

Snooping in bedrooms is barred because you are liable to find things you may not want to see. But snooping across the country is lawful and appropriate. And when I look at the Liberal members of parliament—there are some outstanding ones among then and I am very much impressed by some of them—I wonder what all this means. If I were a Liberal member and found my leader had decided it was necessary to get information elsewhere in order for it to be dependable I would not be completely gratified, even if I were a member of whom the Prime Minister had never heard.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I felt sorry for the hon. gentleman; I did not mention him the other day and I will not mention him now, but his applause indicates that he appreciates what was done. If any Prime Minister does not know his own members things are serious. There is every indication that by taking on 28 assistants the Prime Minister intends to approximate the methods of the United States system of government. Sir, the Canadian parliament is not the White House in Washington.

They say they need these powers to enable them to get through this house a number of pieces of legislation. I have found no legislation that has been held up in this session. For days on end the government has not had any legislation ready.

Mr. Woolliams: That is absolutely right.

Mr. Olson: You should look at the order paper.

Mr. Diefenbaker: The government is never ready. It is the government of the unready and it now endeavours to pin responsibility elsewhere than in the proper place. Where are these bills? Where are these pieces of legislation? Why keep them hidden? The fact is that the government has no legislation ready to go ahead with. It may have legislation on the Criminal Code; it can prepare legislation in order to aid abortion and multiply homosexuality. It has that legislation ready. At a time when the Canadian economy is in a serious condition, when taxation is at its highest level, when the cost of living has shrunk the contents of every pocket, this legislation is of first importance, they say.

Earlier I made the statement that there has been a systematic undermining of parliament by the Liberal party. It has been joined in that endeavour by members of some of the other parties. That fact has made it easier for the Prime Minister to try to throttle parliament. Everyone knows we live in uncertain times; some people think everything must be changed. Since the last war there has been a constant conflict between the rights of the individual in a parliamentary democracy and the increasing bureaucracy by which the government increases its intrusion into fields that should be reserved for the individual.

They say we would pass far more bills if we were to pass these rule changes. Why, if these changes come into effect the government will be able to have holidays every two weeks because there will be no business ready for the chamber. There is much clamour for action, speed, efficiency and leadership. The answer to this is given by one of the great writers on parliamentary life, Bassett, who says:

> It may well be contended that the world is suffering today more from hasty and ill-considered measures than from any dilatoriness of action.

There have been great parliamentarians of all traditions and all racial origins in this house. I listened to the late Right Hon. Ernest Lapointe, one of the greatest parliamentarians of our country. When he first came to the House of Commons he did not know any English; yet he became a powerful orator in the English language. This is what he said to parliament and this government should take notice of his words:

> The first duty of parliament is to remain a parliament, not to become a subservient and ornamental body ... It is the will of parliament, not

that of the government, that is the will of the nation . . . the sovereignty of the people is delegated to parliament, not to the executive, and when I say "parliament", it means the minority as well as the majority in parliament.

This government has concluded that parliament is a nuisance; it interferes with them. If they bring in anything we approve of, that is fine, but when we dare to question, to examine, to criticize and scrutinize then we are guilty of a filibuster. In the British system there is no such thing as a filibuster. There is obstruction but not a filibuster, and the expression has no place here. Parliament cannot be held in servitude at the beck and call of even such a benign individual as the President of the Privy Council. I recall his Robespierre-like smile as he set out to destroy this institution. Sir, parliament is the repository of free speech. It is not the repository of the rights of government, the majority in parliament. Is it not strange that the Prime Minister made available $125,000 to the opposition in order to provide research facilities so that they could prepare their speeches and at the same time brought in a measure that will deny them the opportunity of making those speeches?

• (3:10 p.m.)

Parliament cannot be made a puppet. It dare not be made a sort of cuckoo clock, or a place in which ministers may appear at stated times regardless of the issues before the house. The President of the Privy Council came out with a fine idea the other day. He said: We spend too much time examining accounts; we should reduce the number of votes from approximately 250 to 125. How helpful that would be, Mr. Speaker. For whom? What a concept of parliament that is! Wherever you go, whatever you do, you find that the government has decided that it is going to emasculate this institution. I want to tell them right now, and I do not intend to use the words of the Prime Minister with reference to an absent member, that they are going to have a heck of a time doing that.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I felt sorry for the Minister of Agriculture this morning. He made just about as good a job of his presentation as he has on behalf of the farmers of western Canada.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This government has to begin to realize that the opposition will be more than a bystander watching the procession of legislation introduced by the government pass by. Discussion is to end. We are to have a few minutes in which to speak. The minister has said: "Trust us." Yet after watching the President of the Privy Council, who makes a better contribution when he writes and signs his letters than when he speaks in the house, and what he has tried to do to this parliament, one wonders if this indeed is the new politics to which the government says it is devoted.

There would be no time for discussion. What would have happened on the transport bill in 1967 if there had been no time? After three weeks of discussion in the house and in the committee, 70 amendments were introduced. If it had not been for the opposition the result would have been an abortion and a monstrosity.

Surely the minister did not think today, in offering this bauble, that we would grasp at it. It is exactly the same thing, only double. He indicates that it is not. I read it and re-read it. It would require a Philadelphia lawyer to understand it and I do not belong to that classification. Its object, I repeat, was to deceive the House of Commons and it would simply mean the abolition of parliament.

Now we come to the question of the proceedings committee and the allocation of time. I intended to speak but shortly on it. What has been introduced here as an allotment of time is simply a bill of attainder. Those who introduced it will allow us to speak, perhaps, but it amounts to the worst kind of closure, closure even before the introduction of a bill if the President of the Privy Council so decides. Under the new amendment we are to get two hours, according to the changes suggested by the minister. How many people will be able to express themselves in that time? It fools nobody. We are to debate with a stopwatch in the hands of the President of the Privy Council and we are to get two full hours if the new proposal is adopted.

It is a repeat performance. It is a chronic disease. What is being done here is being done in no other part of the Commonwealth. Allocation of time? Yes, within reason, by agreement. I could not believe it when I read the speech of the President of the Privy Council. There was no ridicule in what the Leader of the Opposition said, that the minister would be able to make the decision

in his bathroom. But he will never be able to wash off the guilt.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: In the United Kingdom, according to Erskine May, an allocation of time is not usually made until after the second reading of a bill and often, even then, not until the rate of progress in committee has provided an argument for its necessity. Now it is to be proposed before the debate even begins. Surely the government knows better than that.

I am wondering why they are seeking all these powers. I have tried to review some of the things this government might be wanting to do. I believe in change to meet changing conditions, to make parliament more responsive. During my period in office we made the House of Commons bilingual by simultaneous translation. We appointed a member of the opposition to be the chairman of the public accounts committee, remembering that when we were in opposition we could not get any information; we were always barred by the chairman.

I have refrained from saying this before but I will make just a brief reference to it now. As I listened to the Prime Minister in the course of the election campaign I felt he had in mind something which was going to elevate Canada, raise her horizons, give new hopes. I am disappointed. What has taken place has been a negation of the hopes that I had in mind. What are they trying to do? Why do they want this power? Is it because they realize they cannot amend the constitution, the British North America Act, so far as education is concerned because in 1949 all amendments for the future were denied? I took a stand against that. At that time I said: You are forcing the British North America Act into a strait-jacket. Is the government about to try to get around that constitutional difficulty?

Mr. Speaker: Order, please. I am afraid I must interrupt the right hon. gentleman.

Some hon. Members: Carry on.

Some hon. Members: Hear, hear.

• (3:20 p.m.)

Mr. Diefenbaker: Mr. Speaker, this is a great place, the House of Commons. We disagree, we have strong opinions, but the one thing above all else that one treasures after he has been here through the years is to have the kindness, the thoughtfulness and the helpfulness of members in whatever part of the house they sit.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I was not going to ask for extra time; I was going to serialize.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Is this the first step along the road to the Americanization of the Canadian political parliamentary system? Is the downgrading of the monarchy to be the next step? Certainly if the Secretary of State (Mr. Pelletier) were here I would ask him to answer that question. His observations regarding the monarchy can only be accepted as meaning that it is meaningless. Indeed he voted for its abolition. I would like to see something said about the monarchy and what it means. During the days of the late Mr. Massey and the late General Vanier, former Governors General of Canada, they regularly set before the Canadian people the meaning of the monarchy. The people understood it, but it is not being said today.

What about language? Through the years when most of you were not born I was in the courts upholding the right of French Canada to have its language in the province of Saskatchewan. When I tell you that, you can look up the law reports. It was not popular. During my term of office we gave French Canada what it had been demanding over and over again—bilingual cheques. We gave French Canada what it never had before, a fair share of the allotment of positions in the civil service and the foreign service. Does it mean anything? Step by step more and more is being asked.

Some advocate a republic. I think if we had a republic in Canada it would end Canadian independence. It could do no other. The monarchy cannot be abolished except by constitutional amendment. But lo and behold, *Time* magazine has come out with a story this week, and this magazine always has its ear close to the government. I quote:

> Last week, thinking aloud in the Liberal caucus, the P.M. said that the government hopes to "Canadianize" the monarchy by quietly "depersonalizing" the Queen's role in favour of more emphasis on the constitutional position of the Governor General—by, for example, replacing the name of the Queen with that of the Governor General on all official documents.

Sir, that is what we have suspected. Let the government get the power under this monstrosity of a measure to limit the rights of

speech and it can get these things through. Is that one of the reasons that there is such a rush? Indeed, the Prime Minister said of the Queen, when an amendment was before a Liberal association in one province, "I did not think it was important enough. I did not vote. I do not take a stand against the trend". Is that why they are asking for this measure, so they can trample on the rights of those who believe other than they do? I can only wonder whether this is the subtlety behind it.

Is it to bring about, in the Supreme Court of Canada, appointments based on race and creed? An hon. gentleman nods his head in a negative manner. That has been widely stated to be the fact, that we are going to take the Supreme Court of Canada, which has become a court respected by all, and emasculate it because some people do not like the way it goes about its business.

I have always taken the stand that separatism in Quebec was not widespread, and the polls have shown it. To me one of the most dangerous things today, and the most perilous to national unity, is those people who, while condemning separatism, use the fear of separatism as a smokescreen through which they endeavour to advance their subtle demands for more and more. That is what is happening. Is that the reason for this amendment of the rules, so that these power-hungry men can trample on the traditions of Canada's past? Is it to secure an amendment on the question of language in the schools which cannot now be secured by a constitutional amendment in view of the action of the government of Canada in 1949? It has been stated by one of the leading jurists of Canada, the hon. J. T. Thorson, a former member of this house, a former minister of the crown, that what is being done will constitute a constitutional amendment. Are they trying to hogtie parliament so that it can be pushed through on their say-so? These are some of the dangers inherent in what is being done.

English Canada wants to bring about unity in Canada, but to go on pushing through things regardless of the wishes of English Canada and the multitudes of those of other racial origins cannot but be serious to the future of Canada. That, Mr. Speaker, is how serious these amendments are.

They did not produce them out of the air. They did not produce them for glorification. The Prime Minister once said that as a student the person he most regarded amongst the statesmen of the world was the Italian dictator of many years ago. I will deal with that on another occasion when the Prime Minister is here. Subtlety, destruction, undermining deviousness, were the characteristics of that person.

This government, on the basis of statements that have been made by the Secretary of State and in no way condemned by the Prime Minister—after all he is one of the triumvirate that came to the Liberal party, one of the three wise men who saw the star—

Mr. Lambert (Edmonton West): Wise?

Mr. Diefenbaker: They must have been because they are all in the cabinet now. He says we are going to have a republic. He says we have no use for the crown. And as I watch him in this house he seems to have a controlling interest and I can only conclude that on the basis of statements he has made there are members of this government today who are hell-bent for a republic. We want the matter to be discussed in this house. If Canada decides that way, Canada will decide. But through you, sir, I say to the President of the Privy Council; Don't think that as Simon Legree you can lash us.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We are not going to be made slaves to achieve the purposes you have in mind, if any. When I go outside the main door I see the motor car of the head of the army. I see that what is on the side does not show our rank badges; it displays four stars. It would be interesting to know who gave the right to substitute four American stars for the rank badges of Canadians.

• (3:30 p.m.)

Sir, if the Prime Minister had been here I would have asked for extra time. As he is not, I shall not. I ask the government to agree to the changes that are asked for by members of the opposition. I do not agree that some of the changes should be made, but I won't be here to see the full effect. I have seen parliament for a long while and I know that when you start to whittle away rights it is not very long before you do not have any left. I say through you, sir, to the Prime Minister, "You shall not crucify parliament on the cross of political ambition or by grasping for personal power." I say to you, sir, "If this goes through, a tyrant could ask for no more." The government will be able to do anything it wants to do for four years. By that time, whatever the electorate does or feels will be too late. This is not a personal government of

the Prime Minister or the cabinet. It was Churchill who once said that it is a very delicate plant, this parliament, but he also said something else about personal government. He said that personal government with all its latent possibilities of oppression and caprice is not to be endured.

Surely they are not going to try to press this on us. We will not submit to a bureaucratic government in which parliament is an extension of the East Block and the higher echelons of the civil service, whether we like it or not. I say to hon. members, whatever their position in the house may be; do not take this chamber and make it a handmaiden of a government which since 1956 during the pipe line debate, and whenever it has had an opportunity has shown by its attitude its disregard for parliament. Don't do that; save this institution. Make the changes that are necessary, but do not try to place members of the opposition in the position of mendicants who must kneel before the government and ask consideration, while mighty, powerful ministers epitomized in the person of the President of the Privy Council turn to us and say: You have no rights; we have given you five minutes; we have given you two hours under a revised plan for the whole House of Commons; what more can you ask?

Mr. Speaker, I hope yet that the members sitting opposite will talk with the ministers of the government and the Prime Minister, if they are permitted to do so, and make it clear that Canada's future will not be determined on the basis of a chamber in which members are bulldozed by the rules, and denied the right to speak when they have that right.

Some hon. Members: Hear, hear.

Mr. Ross Whicher (Bruce): Mr. Speaker, I have been involved in politics for many many years, but I never thought it possible that I would ever have the opportunity and privilege to stand in this House of Commons following one of the great parliamentarians of our time. All of us know that the right hon. gentleman who just spoke has made a great name for himself in all of Canada, and more particularly in this august body, the House of Commons. But I want to say that the pages of history are full of references to great men who have been wrong, and the right hon. gentleman in this particular instance is wrong. As a matter of fact, sir, and I say this is a most kind and sincere way I think there are many of us who sit on the government side of the house who are much more loyal to the right hon. gentleman than some of those who sit around him.

We have just heard the story of the ghost of Christmas past. It is a story that has been turned down by the people of Canada; they do not believe it any longer. While I know it has been given in great sincerity, nevertheless as I said, we on this side have the opportunity to disagree and it is my privilege to do that at this minute. This is the first opportunity I have had to speak in this House of Commons. As the opportunity presents itself it is my duty and opportunity to say to you, as the deputy speaker, how much I admire those who sit in the chair in which you are sitting now, and the great job you and Mr. Speaker do. I believe it is one of the most difficult jobs I have ever seen in my life.

Mr. Speaker, as one who has had the opportunity to sit in the Ontario legislature for many years let me say that, as speaker, your job is much more difficult than that of any of the speakers in any of the other legislatures I have seen in the provinces of Canada. Now I wish to come immediately to the business at hand and the opportunity that you, sir, I, and other members of this, the most exclusive club in Canada, have to change some of the rules here, in order to get Canada once again on the road. I should like to quote Upton Sinclair, a great man who unfortunately died about a month ago. One of the things he said was that you do not have to be satisfied with America as you find it; you can change it. Mr. Speaker, we do not have to be satisfied with the House of Commons even though it has been a great body for the last 100 years. We can change it, and certainly we will change it.

As one of the backbenchers of the Liberal party and as a matter of fact if I were any farther back I would be right outside the curtain I say to you, sir, that it has been a most frustrating experience for me to sit here in my seat for the past three months. Remembering all the history, the dignity, and all the great people who sat in these seats here over the past 100 years, I say most kindly that almost any club, the Canadian Club, the Rotary Club, the Women's Institute of Canada and certainly any business, conducts its affairs in a much more businesslike fashion than do you and I sitting here in this House of Commons of Canada.

• (3:40 p.m.)

It has been said on many occasions that it is time for a change. If I ever saw a time for a change, let me tell you it is time right now

to change some of the rules we have in this House of Commons. During the last three months and one day, to be exact, since we have sat here, where we are supposed to belong to the most exclusive club in Canada, representing the people from Vancouver to Newfoundland, we have put through about 8 or 10 bills. We should be ashamed of ourselves. There is not a business in Canada, if it were run the same way we have run the affairs of the country in the last three months, which could last for more than two or three weeks, because it would be completely bankrupt.

Last June 25 the people of Canada proudly, perhaps for the first time since Confederation, did not vote for a party as much as they voted for a change. They voted in this way because they were fed up with some of the things that had happened in this House of Commons, particularly in the last ten years. The people were sick to death of what had been happening in this house. Then, thank God, a breath of fresh air came along for Canada, and he sits in the present Prime Minister's seat.

An hon. Member: It is empty.

Some hon. Members: Oh, oh.

An hon. Member: The holy ghost.

Mr. Whicher: Let me tell you that he is effective, in any event.

An hon. Member: That's not fresh air, that's hot air.

Mr. Whicher: I am proud of him and I say to you, don't you wish you had him?

For the last few months I have been listening to the gentlemen in the opposition to my left. Let me say that I am a professional, as far as being a member of the opposition is concerned, because I sat for almost 13 years on the opposition side of that most professional political club in the whole of Canada: I sat in opposition to the Tories in the province of Ontario.

Mr. Hees: You will soon be back.

Mr. Whicher: In any event, Mr. Speaker, I wonder if those members to the left of me, when they stand up with their silly questions before the orders of the day, and make their speeches, realize why they are sitting over there to the left of Mr. Speaker, while the government is sitting to the right? I will let them in on a little secret: You fellows lost the election. That is why, in our parliamentary system under democratic government, the opposition sits to the left of Mr. Speaker; and you fellows did lose.

The people have assigned to the government a task, and for those of us who sit here right next to those who comprise Her Majesty's loyal opposition, those of us who comprise what could be described as the government rump—

An hon. Member: He is thoroughly confused.

Mr. Whicher: Mr. Speaker, let me say that I believe there is some feeling that when a member is giving his maiden speech in the House of Commons he should not be interrupted by the opposition. I have sat in several legislatures and I have been interrupted by experts, so let them carry on because I do not consider them to be experts.

It really makes my heart bleed when I hear the Tories talk about how we on the government side are going to cause things to be terribly bad, because we are going to be the boss. They should see how the Tories, the most professional political club in Canada, operate in the province of Ontario. In any event, a Tory is a Tory. I have seen them operate in Ontario, and let me tell you that they are all brothers. Having sat here and listened to some of the silly questions the Tories ask on orders of the day, many of which are repeated day after day for political reasons only, let me tell you how they operate in Toronto. I realize these people are in the game of politics, and I do not mind their playing the game, but when I think of that exclusive Tory club in the province of Ontario I feel that perhaps some of these gentlemen should read about some of the things that happen there.

Do hon. members here know that no questions are allowed in the legislative assembly of the province of Ontario unless there is a written question submitted to the speaker of the house before twelve o'clock the same day?

Some hon. Members: Shame, shame.

Mr. Whicher: Unless you go through the Speaker's office, your question is not acceptable. Boys, how would you like it if we brought something like that in here? But we are not that way; we are not Tories. We are fair, and that is a word I advise you to look up in the dictionary.

It is not just we, as Liberal members, who want a change in the House of Commons. The whole of Canada wants a change, and that is

why this government is sitting to the right of Mr. Speaker, and you are sitting to the left. I suggest that the citizens of Canada want some action around here. Let me invite the members of the opposition to come along and support some of the bright ideas presented by the committee which, in my opinion, did a wonderful job. I ask them to support the government on this bill, because if they do not, the rump is going to be a lot bigger after the next election.

It is not going to be good enough for this parliament to be just as good as other parliaments. The people of Canada want something better. That is why, with what I describe as that breath of fresh air, our present Prime Minister (Mr. Trudeau), this is going to be better than other parliaments. This is what Canadians want, and this is what we are prepared to give them. We want your help. No one is more important to parliament than an opposition. I sat in opposition for almost 13 years and I know all about this. I was just as frustrated as you people are, the only difference being that I was right, in my particular circumstances, and you are wrong.

This old Tory feeling, that the status quo is good enough, is just for the birds. People do not believe that any more. I invite the opposition to join the ship and come along, and we will all sail together to make Canada a better place in which to live. By changing the rules of the House of Commons in the next week we will take an initial step in making Canada a better place. The rules must be changed so that the government of Canada, whether it is a Tory or Grit government—I don't think there ever will be any opportunity for those other fellows down there to form the government—can get on with the job of making this old Canada of ours a better place in which to live. We must get ourselves on the right road, as individuals. We must get the House of Commons on the right road.

It is even more important, Mr. Speaker, to get Canada on the right road so that every Canadian, whether he lives in Newfoundland or any other place, right through to Victoria, can proudly say: I am really glad I am a Canadian citizen. By bringing these rules in, and by other things that will be developed in this house, we will be getting on with the job of making this Canada a better place in which to live.

• (3:50 p.m.)

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, having listened to the hon. member for Bruce (Mr. Whicher), I cannot help remarking that if the Minister of Finance (Mr. Benson) is still looking for additional revenue, he should place an amusement tax on the speeches of the hon. member. The rhetoric was most—

Mr. Whicher: That is not what your brother says.

Some hon. Members: Hear, hear.

Mr. Winch: My hon. friend half a dozen times in his remarks said, "I am going to let you in on a little secret." I will let him in on a little secret: He will not hear any speeches from my brother in the House of Commons.

Some hon. Members: Hear, hear.

Mr. Whicher: You will not be making any after the next election.

Mr. Winch: I must admit that, after considerable contemplation, I am surprised at my own surprise in not being surprised at the attitude that has been expressed by the government through the medium of the speeches and the motion dealing with proposed changes to the standing orders and procedures of this House of Commons. But I should not have been surprised; I should have expected it.

We have heard a great deal about Canada being part of the commonwealth. There have been in the commonwealth countries with parliamentary government, and they lost that parliamentary government by military coups d'état. Of course the Liberal party in this house would never think of bringing about a military coup d'état to get control of the house. They would do it in a smoother way. They have their own system of coup d'état to remove the rights and privileges of parliamentarians and to wreck the institution of parliament. Basically the result is the same.

The hon. member for Bruce began his remarks by quoting somebody in the United States saying that if they did not like the United States, they could change it. He said we can change Canada and we can change parliament. I admit that we can change parliament. I admit that some changes should be made in parliament. But we say, for God's sake do not wreck parliament. This is what would happen if we ever allowed the government to get away with at least one of its proposals, in asking us to vote on a blanket package for changes to our procedures and rules. I said that I should not have been surprised, Mr. Speaker, because, though you may try to camouflage it any way you desire,

the government's intent is to have absolute and outright control of parliament. And that is dictatorship.

I know, and we all know, that the Liberals sanctimoniously mouth words about democracy and support of democracy and parliament. But, Mr. Speaker, in their heart of hearts they believe in dictatorship.

An hon. Member: You don't believe that.

Mr. Winch: As I say, in their heart of hearts they believe in dictatorship.

An hon. Member: Hear, hear. They have demonstrated it.

Mr. Winch: They have demonstrated it by what they are now asking parliament to do in respect of certain rule changes. My hon. friend has said that I do not believe that statement. I say that he is forgetting Liberal party political history. The move this week in the House of Commons is not new to the Liberal party. Many years ago another Liberal leader, a Liberal premier of British Columbia, with his majority in the British Columbia house introduced and forced through legislation that became known as the S.P.A., the special powers act. The move of this government today is merely a step toward the S.P.A. of British Columbia, brought in by a Liberal. The act to which I refer did not mean just the control of the legislature; it did not mean just the muzzling of the members of the legislature: It was a Liberal sponsored act of parliament that said that by order in council the cabinet could exercise all the powers of parliament without calling parliament in session.

An hon. Member: Louder.

Mr. Winch: That was the effect of the special powers act put through by the Liberals in British Columbia. It took us years to get it off the statute books. Therefore I say that this idea of dictatorship and bureaucratic control of the democratic institution is nothing new to the Liberal party, whether provincial or federal.

My hon. friend from Bruce told us several times that he sat for 13 years in the opposition and understands the institution of parliament. I say that any man who has sat for 13 years in parliament should have reached an understanding and love of parliament and a feeling for the defence of the parliamentary institution. I know I have; and I have sat in parliament a darned sight more than 13 years.

[Mr. Winch.]

In my 36 years, as a matter of fact, in provincial and federal parliaments I have gained a knowledge, understanding and love of the parliamentary institution. It should not be nullified; it should not be hemmed in. It should be expanded. Our parliamentary institution is, without any question whatsoever, the greatest institution ever devised by man for the solution of man's problems. It is our responsibility to expand that democratic institution; yes, to make it more efficient, but you do not do that by removing the rights of members, by stultifying discussion and putting into the hands of one man, a group of men or one party, control of the parliamentary institution.

I most certainly want to add my support to what I maintain were the magnificent words of the hon. member for Winnipeg North Centre (Mr. Knowles) who said that irrespective of what the rules might be, the efficiency and democracy of parliament is in the last analysis based upon the quality of the men and women who sit on both sides of the house. I believe that. If you want to make changes, let the changes be made, not dictatorially to our rules but to our attitude and to the meaning of our responsibility as responsible members of the House of Commons.

Of course in times of election campaigns we run as candidates of parties and put forward our programs, philosophies and points of view. When we are elected, of course we do what we are expected to do, that is, we present our views, philosophies, policies and programs. But we also have to be responsible members of parliament. In my opinion this means not reaching decisions on the basis of partyism or political expediency, but on whether the policy, motion or bill is good and necessary, irrespective of the quarter of the house from which it comes.

• (4:00 p.m.)

Unfortunately, that general attitude has not prevailed in the past. Not only has the attitude of the government been that it must be wrong if it comes from the opposition, but that it must be wrong if it comes from one of their own members without the rubber stamp of the cabinet. It is not only motions and bills from this side of the house that are talked out during private members hour, but also bills from the Liberal side unless they have been sanctioned by the cabinet. It was most interesting last evening when there was a vote to see how surprised some people were, unless one stood absolutely solid behind the attitude of the party. One is not expected to

have a conscience, or vote according to his own convictions. It is a change of attitude that is required, not a change in the procedure or the standing orders as suggested by this government. Hon. members may have noted that this week a Liberal private member's bill was talked out. The bill requested action on pollution and it was not talked out by the opposition but by the Liberals themselves. We can understand why they talked it out. They did not dare have a real study made of pollution, otherwise the people would recognize the way this government acts. The worst pollution in this country is found in some of the policies this government tries to put forward.

This is particularly true of proposed standing order 16-A. This morning the Minister of Agriculture (Mr. Olson) introduced what purports to be an offer from a reasonable man, a reasonable government. I have no hesitation whatever in saying that the proposal put forward by the Minister of Agriculture is an out and out farce. It is an insult to the parliamentarians who sit in this house, when the government introduces this as a substitute. We can only hope that reason will prevail and that there will be an understanding of the meaning of reason, reasonableness and reasonable men, so far as the government is concerned, and that this attitude will apply to rule 16-A as well as the supposed change introduced by the Minister of Agriculture. We can only hope that they will be withdrawn.

So much has been said already about rule 16-A that I am not going to make any more comments on it. There is another phase I should like to discuss about which only a brief mention has been made. This is a matter upon which the committee has made a recommendation, and it disturbs me. I should like to have some explanation of how it is going to operate. I have in mind the referring of estimates to the standing committee. My understanding is that all estimates will be referred to standing committees. No doubt standing committees can do a great deal more of the important work of parliament and perhaps can make a greater contribution than they have in the past. However, because of my knowledge of standing committees that deal with estimates, I am disturbed about how this procedure is going to operate.

When vote No. 1 is before a standing committee, the minister comes in, makes a statement and that is the last you ever see of him. During the balance of the time the estimates are being considered, the deputies and departmental heads are before the committee and they can give only statistical information. However, when you are examining estimates, to a great extent you want information on policy. I know from personal experience that when the External Affairs estimates were referred to the committee this session, the Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence (Mr. Cadieux) appeared once. If a member asked a deputy or department head for the information to which we are entitled, and which in the past we could get from the minister in committee of supply, we were told, "Sorry, that is policy; I cannot answer. Only the minister can answer those questions." I am worried about that situation. I should like to have additional information and I hope, confirmation that, if the estimates are referred to committees, the ministers will be in attendance as long as the estimates are before the committee. If that is not to be the case, then this is a negation of the opportunities of members to accept their responsibilities, to ask questions and get information.

There is also another important phase to which I should like to refer. A member can be on only two or three committees. If he is on only two, it can happen and will happen as it has happened this session, that a matter in which a member is interested is before another committee. You cannot even go to listen to the discussion because you are sitting in a committee on estimates. Can you not see, Mr Speaker, how this is going to handicap members of parliament? May I be pardoned if I use a personal illustration, Mr. Speaker? For over 30 years I have been interested in penology, in prisons, in parole, in probation, in pre-sentence reports, in the construction of penitentiaries and in narcotic addiction. When the estimates are considered in committee of supply I can speak to the minister about these matters. However this session I was unable to raise my voice on these matters, about which I think I know something. These estimates were referred to the justice committee of which I am not a member.

We cannot have members jumping back and forth, day by day, from committee to committee. For one thing, they would not know exactly when the subjects in which they were interested were coming up. It would make a farce of the operations of committees. It is because of these two matters of vital importance affecting the study of estimates by committees that I have some doubts about referring the estimates to committees, unless there is a commitment from the government as to how the method is going to be

worked. Are we going to be able to accept our responsibilities to our constituents by asking questions about the things we know something about? If we do not happen to be a member of the specific committee in which the matter is being studied, how can we do this?

So, Mr. Speaker, we have before us one of the most important issues ever to come before the House of Commons. I believe in change for the better, in change that represents an improvement. I believe in anything that would make this house a more efficient parliamentary body, subject always to the democratic right of free speech on the part of a person who is sent here, invested with all the power of a member of parliament representing his constituency.

• (4:10 p.m.)

I agree with at least 90 per cent of the suggested changes, but it is wrong and I suggest practically an insult to introduce them in this way, as a package. This means that we have to accept those issues of which we do not approve. This is not a reasonable or responsible manner in which to present proposals to the members of the House of Commons, especially proposals as important as these.

I said that I have a love for this institution. I have said that to my mind it is the greatest institution for solving the problems of man. It has everything to offer in the way of developing the country in the interests of the people and building the nation that our potential makes possible, both as a result of our manpower and womanpower, and our resources. It will be a disgraceful day in the history of Canada if this so-called bunch of Liberals set us back a century in parliamentary democracy by trying to force through a camouflaged policy of outright dictatorship. As long as I am able to speak I shall oppose this step with all the strength at my command.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, in speaking to this legislation may I make it abundantly clear at the outset that I support steps to streamline and improve parliamentary procedure. However, I would point out that in speaking to this issue I am at some disadvantage in that I have not been a member long enough to qualify as a rules expert. I have been here long enough however to realize that some of the ideas that I brought here with me as a new member are not practical, and I sincerely hope that some of the "instant experts" opposite will also one day see the light.

[Mr. Winch.]

Two main reasons impel me to take part in this debate. The first is that, frankly, I am suspicious of the real motives that lie behind these so-called reforms. Secondly, I believe some of these specific proposals are dangerous. I think some are ineffective in their present form; others are foreign to our particular system of parliamentary democracy.

During my years in parliament I have never become, as have some of my colleagues, an expert on the rules and procedures of the house. I cannot even claim to have taken any particular interest in this subject in the past. But recent events and the circumstances of the present have forced me to make myself, if not an expert, then keenly aware of the vital importance of this question.

The reasons for this is simple. Like the people who elected me to represent them here, I hold a strong attachment to the system of government that we know as British parliamentary democracy. This system may have defects, it may falter and creak on occasion. But what free system of government operated by ordinary men and women does not have weaknesses? Surely the important question is to decide which system has the fewest weaknesses; and I believe the answer is "our system".

A leading authority on government, a man who was never, in my opinion, under any circumstances described as a Conservative, was Harold J. Laski. He opened his great work "Parliamentary Government in England" with these words:

> No system of representative government has a history so continuous or so successful as that of Great Britain.

I believe this is true. I believe in the effectiveness of our system. Like the majority of my fellow Canadians I believe in its effectiveness to provide good, stable, democratic government. I further believe in its ability to protect the rights of the individual and of minorities from abuse by an autocratic executive. I believe in parliament's historic role of servant, not master, of the citizen. It is because I suspect that there are those among us who would use the device of procedural reform as a cover for their real purpose that I am so concerned. It is because I suspect that these proposed reforms are a first step toward a fundamental change in the system of government in this country that I have been forced to take a close and keen interest in this question.

Those who propose these changes now before us claim they do so only to make parliament more modern, more efficient, more able to cope with the demands of today's world. This is a reasonable claim. Though it is reasonable, it is not necessarily sound; and it is only reasonable if it is made in good faith. But so many things have been happening in recent months, there have been so many warning signs, that I believe it would be wise for all of us here to look beyond the mere mechanics of procedural change.

I think of the "ministerial Mafia" that was uncovered in the gallery yesterday. Surely, Mr. Speaker, it is better to indulge suspicions that later on may turn out to be groundless than to rush to adopt changes that we may find have emasculated parliament and opened the door to an alien, perhaps even sinister, system of government.

It could happen—I do not say it must—that there are those in this country who seek to do by stealth and deception what they know they could not achieve by an open and democratic expression of public opinion. Anyone dedicated to changing our form of government might well feel the fastest and easiest way to do so would be to weaken, distort and discredit our present institution.

I am appalled by the philosophy, so often and so brashly exemplified by the President of the Privy Council (Mr. Macdonald), that belittles the role of this house as a forum of free discussion and reduces it to a mere appendage of a sealed legislative machine. Today's political technocrats regard the House of Commons as an industrial machine to be urged to higher and ever higher production levels until it spews forth an endless flow of new laws. This view makes completely meaningless our democratic electoral system. Some hon. members may remember the great satire on mass production, the movie "Modern Times." This measure makes of members of parliament so many Charlie Chaplins humbly serving the machine.

• (4:20 p.m.)

What makes the Prime Minister (Mr. Trudeau) and the President of the Privy Council (Mr. Macdonald) so sure that they have all the moral values, all the wisdom and all honour that exists in this house? A British writer writing in the *Spectator* in the 1930's, when dictatorship was in fashion, was discussing the popular claim that dictators and dictatorships were more efficient, more effective and speedier than free parliaments and constitutional executives. Dr. G. P. Gooch said it was claimed that dictatorships could deliver the goods; but he asked, what sort of goods, and at what sort of price? This might be a good question to ask ourselves today when we are being urged to become more swift and efficient at the cost of open debate and free discussion. I do not believe that any such sudden and drastic change in our rules and procedures can be warranted on the grounds only of speed and efficiency.

I do not wish to burden you or the record, Mr. Speaker, with too many quotations but I feel that in this debate one ought to put on record as many opinions as possible, particularly when those opinions carry the weight of study and experience which have been denied to the hon. member for Rosedale (Mr. Macdonald).

Professor Reginald G. Bassett, the professor of political science at the London School of Economics until his death in 1962, is considered by many to be an outstanding modern authority on the system we know as parliamentary democracy. His book The Essentials of Parliamentary Democracy is a standard reference work. Among other things he wrote:

> There are some democrats who claim that parliamentary democracy can be speeded up to such an extent that decisions can be taken as quickly as under dictatorships. That, in our view, is a delusion. Democratic government must be comparatively slow in the taking of decisions: that is the price which has to be paid for political freedom.

He also noted:

> Taking of decisions is one thing, and lasting achievement quite another.

He was concerned with the danger to the system of shallow proposals for change and hasty decisions difficult to reverse, once made. This is what he wrote:

> More dangerous, perhaps, in present circumstances, than either the impatience of the extreme left or the obstinacy of the extreme right, is the demand for action as such.

He saw little virtue in change for the sake of change and action for the sake of action, and added:

> To desire speed for its own sake is irrational, and, in politics, as in other spheres of human activity, the indulgence of such a desire may have regrettable consequences.

Before I leave this particular aspect of the debate, Mr. Speaker, I will cite just one more authority. Right Hon. Michael Stewart in his book The British Approach to Politics, wrote:

> —it would be unwise to pursue efficiency at the expense of individuality. Parliament is more than

a machine for making laws; it is a forum for discussion, for redress of grievances and exposure of abuses.

This, Mr. Speaker, exactly sets out one of the chief reasons why I deplore this government's obvious attempt to drive debate out of this chamber and into the back rooms.

In looking for the real purpose underlying these proposed changes we should look at the whole tenor of parliament, at the tone of parliament, as set by this new government. The tenor generally speaking—and I say this regretfully—has been one that demeans the House of Commons. We have only to consider the preposterous duty roster of ministers initiated by the Prime Minister. It is a clownish device at which one might laugh, if its implications were not so serious. I view it as a deliberate attempt to restrict the accountability of the executive to the people, to protect ministers arbitrarily from proper questioning and to humiliate and deliberately to degrade the House of Commons and render the role of elected representatives a farce.

Some hon. Members: Shame.

Mr. McCutcheon: It may be, of course, that the Prime Minister has banished his ministers to the cabinet harem because he is jealous of their ability, or fears their facility for putting their feet in their mouths. Whatever his reason for cloistering the cabinet, he has shown contempt of his colleagues and of parliament, and I think this attitude of contempt for parliament is reflected clearly in these proposed changes in our rules and procedures.

The Prime Minister's attitude in this house and in many of his public utterances indicates that he holds parliament in contempt as a mere talking shop. He likes to be portrayed as a political sophisticate. Professor Laski, who is an older and wiser hand at this business, once wrote:

It has become almost the proof of political sophistication to sneer at the House. The 'talking shop' leads many people to sigh, like Carlyle, for Colonel Pride and his little platoon. On all this there are many things to be said: not least of them that the alternative to the 'talking shop' is the concentration camp.

The other evening, on December 10, I believe, the Prime Minister gave an interview in which he said, among other things, that the opposition was holding up the business of the country by debating the rule changes. I ask, what business is being held up? What fundamental and earth-shaking steps to formulate the just society are being held up?

An hon. Member: What are they?

Mr. McCutcheon: Yes, Mr. Speaker, what are they? Is one of the measures the measure to increase interest rates for fishermen's loans, perhaps? Or could it be a bill to amend the Historic Sites and Monuments Act, or a measure to arrest the spread of pests injurious to plants? If these are the vital and important measures that are being held up by this discussion of proposed changes in our rules and procedures, Mr. Speaker, I suggest they give a very clear understanding of the importance attached by the Prime Minister to these changes and to parliament. If the Prime Minister had signified his government's intention to bring forward measures dealing with the really crucial aspects of the nation's business, by placing appropriate measures on the order paper, he would have been more convincing. Where are the measures to deal with such urgent matters as unemployment, the steadily rising cost of living, the plight of eastern farmers, the grave crisis in western grain, and the desperate condition of the east coast fishing industry? No, these cannot be found among the priority matters on the government slate. Instead we have such pressing measures as an official languages bill, and changes in the rules of the house.

A giant step towards making parliament more effective could be taken by having this government give priority to the proper national questions. The Prime Minister has changed the face of this house by arbitrarily ordering his ministers to stay out of it. He has set up a system of regional desks within his own office to partition the national business regionally, and to further remove national business from his colleagues and the Commons.

• (4:30 p.m.)

He has suggested that perhaps more frequent use of the name of the Governor General might be made in connection with legislation, rather than that of the Queen. The logical next step for him to take in this regard, one might fear, is to forget about the Governor General and use the name of a president yet to be named by him.

These are all straws in the wind, signs and portents that show the drift of national affairs under this regime. Now we have a suggestion to chase public business out of the open chamber and into the back rooms of parliament. We have a suggestion for the autocratic allotment of time for debate by a government

unimpeded by rules or an effective opposition. The whole trend is to get away from the public eye and into the citadel of absolute parliamentary power. I am afraid, Mr. Speaker, that the ultimate step could be a declaration of a form of government modelled on that of France, where parliament would be the powerless and subservient tool of a north American de Gaulle.

Would you believe "General" Trudeau? Before anyone laughs too loudly, let him remember that last February it was the present Prime Minister, then minister of justice, who said: "We are the masters." I do not know whether my suspicions are shared by all or any of my colleagues here, or by Canadians outside this house; but I feel they are valid until disproved, and I say that in the national interest it would be well if the Prime Minister were to make a clear and public undertaking that the intention of this government in advancing these changes had no connection with the intention eventually to change our parliamentary democracy into a republican form of government.

Before I finish my remarks I should like to take up one point of specific objection to these proposals. It has to do with the apparent failure of the government to make the necessary adjustments to our committee system to accommodate its proposed use of committees. In Britain, as I understand it, the practice is to refer bills to an appropriate committee after second reading, much as is suggested by the proposal now before us, in accordance with which proceedings at the committee stage, formerly handled in committee of the whole house, would be dealt with in the same way but within the smaller confines of a standing committee.

It is true this is done in the United Kingdom, but the committee there is in every way a miniature replica of a committee of the whole house. Then again, this system is only possible because the British committee is not an investigative, but a legislative committee. The purpose of the standing and special committees of this house, as now constituted, is set out in section 8 of the proposed amendment to standing order 65. It is to examine and inquire into matters referred to them, to send for persons, documents and records, etc. In other words, the procedure of our committee, sitting as a replacement for the committee of the whole house on a bill, would be to call witnesses, ask questions, consider testimony and arrive at a report.

This would be completely contrary to the traditional procedure in the house at this stage of a bill, and I submit it would be completely ineffective. When a bill is considered at the committee stage in the special legislative-type committee established in Great Britain, the procedure is an exact duplicate of the procedure we have known in committee of the whole house on a bill; the minister explains the various clauses, assisted by his departmental experts; the members ask questions, make their views known in speeches, and move amendments.

The manner in which our committees now proceed—and apparently nothing has been done to change it under these new proposals—is entirely different. They operate as an investigative body, with witnesses called and sworn, documents produced and members reduced to making their contributions by way of questions.

In the British committee no experts are heard—they must make their contributions through information passed either to the minister or to members on the other side. There is ample time for individual members to speak and be heard. I think this question of committee procedure should be cleared up before the house is asked to adopt a motion calling for the blanket assignment of legislation to these committees for consideration at a vital stage.

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

Mr. McCutcheon: As soon as I am through.

I have many other reservations as to the effectiveness of the new system proposed. However, I am sure that other members, more skilled than I in the intricacies of the rules, will deal with them before this debate comes to an end. It does appear improbable, though, that the speed and efficiency so glibly promised by the President of the Privy Council will be forthcoming. After all, the personnel serving on the committees will be the same as the personnel of the house. With many committees sitting simultaneously, as they must if the promised speed up is to come about, we shall see members flying from one to another without adequate time for preparation, and amidst more confusion than you could shake a stick at.

I fail to see what advantage this proposed new system might have over the use of the whole house as a committee. As I have already stated, I am no expert on the rules but I cannot see what advantage is to be expected at this juncture. Indeed, I am almost inclined to believe that this change is being

advocated simply because it might appear to be new and radical. I am reminded, Mr. Speaker, that Mussolini was defended on the ground that he produced greater efficiency. At least he made the trains run on time, it was said. Hitler was lauded for his efficiency in constructing superhighways. In neither case did the defenders of those dictators bother to mention for what purpose the railways and the roads were to be used.

From his many, one might even say endless, public statements about the need to turn parliament into a legislative mill, the President of the Privy Council would seem to be seeking immortality as the man who made parliament run. But in this case I think we would be very wise to ask also, to what end and for what purpose? I believe, Mr. Speaker, members of this house must ask themselves a question and assure themselves upon one main point before they saddle themselves with these proposed changes. We must assure ourselves that we are really trying to improve our system of government, not change our system of government. It is distinctly possible that by adopting these sweeping changes we will merely be accessories in preparing the ground for a fundamental change in the system.

• (4:40 p.m.)

Sure, I may be charged with being an alarmist. I may be accused of bias and of many other things. But, Mr. Speaker, I smell republicanism in the air. I see some of its advocates in high places, and I hear its echoes in the statements of prominent members of the governing political party. Unless someone of the stature of the Prime Minister can effectively deodorize the atmosphere, the aroma is going to persist, and while it persists I will remain suspicious. And I will remain unalterably opposed to changes in our methods that I believe are too hasty, too sweeping and too radical for the need.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, before coming to the heart of the matter I should like to point out that since the government allotted an amount of some $135,000 or more to the leaders of the parties of the opposition, the members give speeches which, without being more sensible, are better written and can be more easily tolerated. The opposition must recognize that it was a good gesture on the part of the government to give that help.

[Mr. McCutcheon.]

Like several other members, I do not profess to be competent in the matter of parliamentary procedure, but I did make it a point to listen to everything that has been said until now by people who know more about it than I do. I also studied the old *Hansards* of the house and what other experts have said on parliamentary procedure. I read what the committee on procedure published after its proceedings. I even inquired of the library about what has been done in this regard in other countries, such as Australia and England, for instance. Even so, I do not claim that all this gives me the required competence, but I do say I learned certain things.

This afternoon, I should like to limit my remarks to a rather brief analysis of what has been said until now.

First of all, it seems to me the opposition is overlooking one point when I hear shouts of distress because it would seem that the privileges of parliament are being threatened. It seems to forget that we also belong to parliament, even if our representation spills over onto the other side of the house, and that at the last elections, we were entrusted with the task of governing this country. As far as I know, the results of those elections do not give a minority opposition the absolute right to direct, control, stymie and bog down, to use an expression which is not from Bossuet, the government elected to administer this country.

Mr. Speaker, like many other hon. members I always listen to the hon. member for Prince Albert (Mr. Diefenbaker) when he takes the floor. He is a great debater but also a great actor, and I would give him an Oscar for his performances in this house.

The other day while listening to the Leader of the Opposition (Mr. Stanfield)—for whom I have great respect, as I said before, and I think he knows it too—I got the impression that, in view of the success enjoyed by the hon. member for Prince Albert as a public speaker, he would have liked to imitate his tactics or some of his tricks. I would not advise him to try it in view of what has happened so far. The hon. member for Prince Albert has always had that knack for making fun of his opponent, getting him to say what he wants and playing with words with an extraordinary sense of humour, even if he is unkind most of the time. However, experience shows that he has paid for it, because many of his ministers turned against him and his supporters deserted him during election

campaigns or political conventions. The leaders of his party have forgotten him and the convention ignored him in a very humiliating way. So the conclusions are so obvious for everyone that, in my opinion, the Leader of the Opposition would venture into a wrong course if he attempted to resort to such debating tricks which are a mere window-dressing, and rather funny. However, these tricks are not consistent, in most cases, with the seriousness of parliament which our friends opposite worship as much as we do.

Mr. Speaker, I think that this whole discussion over the reform of procedure—at least that is what I think and what many other Canadians think—seems to be an organized campaign to throw discredit on the Prime Minister (Mr. Trudeau) and the President of the Privy Council (Mr. Macdonald) and to present Canadians with a caricature, designed to scare them with the prospect of dictatorship, when the only purpose is to make government efficient, as promised, and that is what Canadians demand of this parliament. I think that many of my friends opposite, perhaps without realizing it, are challenging the Prime Minister, because of his tremendous success and also his main associates and the party now in office.

Mr. Speaker, some people clamour for the respect of parliamentary privileges, but I do not see how these are affected, unless they want to limit the definition of parliament in the sense that the opposition alone would constitute parliament and that the responsibility of controling parliament would rest only with them.

The opposition must say what it has to, and it will have a greater opportunity to do so than before, because for instance the estimates will be scrutinized much more carefully in the parliamentary committees. However, no one should be misled by that outcry which can be heard here under misrepresentations, with a tone which would be moving if it were true, and which seems intended to rescue from ruin or disappearance the privileges of parliament. I will say again that we, of the Liberal Party, also belong to this parliament.

It was said that ordinary members, usually called back-benchers, observe a self-imposed silence. If my friends of the opposition could attend our provincial or federal caucus, they would see that there is truly in our party a freedom of speech promoted by the right honourable Prime Minister, by the whole cabinet and by the President of the Privy Council. Of course, our name is not on the front page of newspapers the next day, but I think that in the past, in our own way, we contributed to the formulation of legislation and we stopped a man or a party from becoming the government itself. The caucus is precisely democracy in action.

Mr. Speaker, my reaction to the stand taken by the opposition and its comments from the beginning of the debate—and I have listened nearly to all the speeches—is, first of all, that the opposition wants to keep a kind of power to stall legislation so that when election time comes, the government is unable to show a list of achievements which will please the people and which, of course, would induce them to vote for this government. The opposition seems to forget that this government was elected with a very clear mandate: an efficient administration of the business of the state and a reformation of parliamentary procedure in order to get rid of those lengthy speeches which we have deplored for a long time.

The opposition forgets that the Canadian people and in particular the rising young people are fed up with those lengthy and sterile debates which solve nothing. In fact, under the pretense that the opinion of the people of the ten provinces must be expressed here, all day long we have to listen to lengthy and repetitious debates on the same issues, rehashing twenty times over meaningless points which finally get nowhere and waste the time of the house.

• (4:50 p.m.)

The opposition seems to forget—for I do believe that its members are intelligent—that it would be simply stupid for the present government to restrict itself to a minority role when it has been elected by a majority. There is a reason, Mr. Speaker, why, under our democratic system, the party elected by the majority is responsible for the administration of the country. If the government were really trying to muzzle the opposition, I would be one of the first to protest vigorously.

Members are objecting because, they say, in a committee of four members, if the representative of the government were alone, he could invoke the privilege which authorizes him to act as if he were in the majority. Others are protesting that, under certain circumstances, the opposition would unite against the government. Promises of goodwill have been made to the government. In fact, I heard my friend, the hon. member for Winnipeg North Centre (Mr. Knowles) promise to

co-operate with the government. I admit that most of the time he co-operates, but I remember a few instances where, for partisan reasons, the opposition united in order to prevent the government from adopting a certain legislation. I think the government has the duty to provide against filibustering, if it does not want to be discredited by public opinion because of eternal discussions which do not settle anything.

Mr. Speaker, the opposition forgets that parliament includes also the Liberal members and that this procedure has been considered in committee and in caucus. We are clear-sighted enough to know that we would not be happy if we accepted measures which 25 or 50 years from now, if the hazards of politics brought us back into opposition, might be to our disadvantage. But we believe that, under the circumstances, these reforms as implemented in other countries have become necessary.

Through his whole speech, my friend, the hon. member for Roberval (Mr. Gauthier)—I was taking notes—was proposing an acceptable compromise, but in my view his conclusion is not acceptable. He said: Why not establish a standing committee on procedure with the responsibility to limit or allot the time?

I want to point out to him that this is unpractical because in the end, the government would again have the majority and nothing would be changed. Therefore, it might be better to let the President of the Privy Council take care of this, as the final result will be the same. So, his conclusion is perhaps not one of the best.

Mr. Speaker, many things have been said, and the most striking was said this afternoon by the right hon. member for Prince Albert, who at one time expressed his disapproval in these terms, and I quote:

[*English*]

"A ruthless government can subdue parliament."

[*Translation*]

The right hon. member for Prince Albert, in using the words "ruthless" and "ruthlessness" must have looked at himself in the mirror, because people who were here when he was Prime Minister tell us how determined, how aggressive he was even with the members of his own party. It is hard to conceive that such a thing could happen under the present Prime Minister, Mr. Speaker. As a matter of fact, he often says to us: "Go ahead, say what you have to say." And one day when he was asked what would happen if our free interventions became annoying to a minister, he replied that the ministers must learn to take care of themselves and that if they do not know how to do it, they do not deserve to remain ministers. Up till now, they have taken care of themselves very well, thank God.

And the hon. member for Prince Albert said, while speaking about the President of the Privy Council, and I quote:

[*English*]

"Here is the Simon Legree of parliamentary rights."

[*Translation*]

This always makes a great deal of impression, Mr. Speaker. Those who hear it for the first time are impressed, it gives them the shudders and brings tears to their eyes. However, when one has heard the member for Prince Albert repeat it twelve times, one feels somewhat less impressed. One tells oneself that it is just some more of his theatricals of which he is a master but which do not settle the situation.

As far as I am concerned, I cannot imagine that the President of the Privy Council could make dictatorial decisions without rousing strong protests among the members of his own party. Let them not take us for school children, for people without a mind of their own, and who do not know what parliament is for. Let them not take us for people who are kneeling down in the hope of getting some day promotions or favours, because we know that there are still a large number of people who think along those lines. It is an exception to be interested in obtaining favours. I will even say that the majority of members on this side have already filled some office in the municipal and provincial fields and on school boards. They are used to parliamentary debates and they respect our parliamentiary customs. However, they have often heard the rising generation asking for more efficiency and voicing eloquently their disgust for the very costly waste of time in parliament.

Since hon. members must make the parliamentary machinery more efficient, the time has come to complete that reform or it will never be done. I deny that the privileges of members are infringed upon by those measures, except perhaps if one insists that the 264 members of parliament should speak until they are breathless on every possible or conceivable subject. It would then be necessary to sit day and night, 365 days a year. Even

then we would not succeed in performing our work.

Mr. Speaker, I heard the member for Prince Albert say:

[*English*]

"The record of this parliament is as good as that of any other parliament."

[*Translation*]

He then quoted statistics and gave to understand that this parliament has nevertheless achieved something against all odds. Whatever has been accomplished so far does not correspond to the hopes of the Canadian people who are going through changing times characterized by transformation, a true revolution, which requires not only efficient action but also infinitely more numerous and beneficent measures than those adopted so far. That is why our parliamentary procedures must be modernized.

Mr. Speaker, I notice that my allotted time to speak is nearly finished. So that it will not be necessary for you to interrupt me, I conclude my remarks by saying that I approve these measures.

[*English*]

The Acting Speaker (Mr. Béchard): Order. It being five o'clock, the house will now proceed to private members business as listed on today's order paper, namely public bills and private bills.

CANADA ELECTIONS ACT

AMENDMENT TO REPEAL COURT OF REVISION

Mr. Walter Deakon (High Park) moved the second reading of Bill C-13, to amend the Canada Elections Act (Repeal of court of revision).

He said: Mr. Speaker, before speaking on this bill I must say that it will indeed be difficult to follow in the footsteps of the illustrious hon. members who preceded me in espousing effervescent rhetoric. It is also ironical that I should be discussing on Friday the 13th a bill which is referred to as Bill C-13, and is listed at page 13 of the order paper. How lucky can I be! Nevertheless I shall endeavour to give in capsule form the purpose and intent of this bill.

Its purpose and intent is basically to eliminate the courts of revision, which generally are established in urban electoral districts, and replace them by the more effective and less costly procedure already provided for rural voters whereby, on voting day, an elector, whose name does not appear on the official list of electors, may cast his or her ballot, notwithstanding that the name is off the list, upon swearing an oath that he or she is ordinarily a resident of the particular electoral district in question, and meets all other necessary requirements of an elector. This is likewise supported by an oath to the same effect by an elector whose name does appear on the official list of electors, and who is ordinarily a resident of that electoral district, thereby corroborating the previous oath.

• (5:00 p.m.)

It is proposed that these oaths be administered at any time up to and including the date of an election by the returning officer of the particular district or riding in question, and in addition on election day the returning officer would also be empowered to administer similar oaths, thereby adding, amending or deleting any elector's name on the official list of electors of the electoral district in question.

As I am sure all hon. members are aware, at the present time lists of electors are compiled for each subdivision of an electoral district by enumerators who are appointed by the returning officers of each federal electoral district. These enumerators usually, especially in urban ridings, consist of two persons for each subdivision, one who is usually recommended by the member who is representing that particular riding, and the other who is recommended by the party having the second largest number of votes polled at the previous election for that particular riding. After these lists are compiled copies are made, some of which are placed in conspicuous places in the subdivision for all to view, to see whether their names are on the list. Other copies are given to the returning officer. These lists are required to be completed within a specified time prior to the election date.

In 1934 a system of permanent lists of electors was adopted by parliament for federal elections by the enactment of the Dominion Franchise Act. This system, however, was only enjoyed for the 1935 general election. The Dominion Franchise Act was repealed in 1938, and the system of compiling lists of electors by enumerators, as previously described and referred to, was provided by section 17, as well as schedules A and B of the Dominion Elections Act of 1938. Since that debate the system has been substantially the same, except for the introduction of revising

agents to assist the revising officers in revising the electors lists in various districts, particularly in urban areas.

I submit that at the present time the number of persons added to these voters lists by these agents, or these courts of revision, is very small and does not warrant the cost incurred by the public. I should like to submit at this time certain cost figures which I obtained from the Chief Electoral Officer. This is a cost breakdown in respect of the cost of revising these voters lists, and this is up to November 26, 1968. It shows a total cost for the last federal election of $823,658.83. The cost in respect of the metropolitan Toronto area was $63,331.40, and for the metropolitan Montreal area, $77,904.69. I am sure you will agree that this is a little exorbitant.

I should also like to give the house some figures in respect of the Toronto-High Park area. The cost incurred by the revising officers appointed for this area totalled $3,657.41. I am informed that the six courts of revision added to this list some 240 names. In my humble submission this would represent in the vicinity of $15 to $18 for each name added. Surely you will agree that this is costly. There is no reason this task could not be performed by the returning officer and the deputy returning officers. In addition to the cost involved there are other instances of injustice, especially on election day. I personally encountered some of these during the previous election. Residents came to my office and telephoned me, advising that they had attended at their polling booths but were not permitted to vote. It happened that it was pouring rain on the last election day. It is regrettable that people who want to vote in the polling divisions, especially during adverse weather conditions, were not permitted to do so. I asked many of them why they did not get their names on the voters lists in time, and many had very valid reasons. Some said they were out of town and others said that there were a number of persons in the family, some of whom had their names on the list, and they felt their names would also be there; but they failed to check, and when they did find out it was too late.

In other cases these lists were posted on telephone posts or on trees, and may have been torn down by children or destroyed by the elements. In this event some people would not have had the opportunity to view them to make sure their names were included. I submit that the passing of this bill would eliminate these injustices.

[Mr. Deakon.]

In closing I plead with hon. members to give this bill careful consideration and not, as happens in the case of most private members bills, relegate it to another slot in this exercise in futility. Thank you, Mr. Speaker.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I want to assure the mover that neither I nor my colleagues will do anything to prevent or preclude this bill being voted upon this afternoon. I do not know that I have ever spoken in this house on a Friday the 13th, but I find I have often made little contributions on Fridays. It seems that the competition to orate is much less on that day of the week.

An hon. Member: You get the week end press, too.

Mr. Dinsdale: You have a more intelligent audience.

Mr. Macquarrie: I think we have an excellent audience on Fridays.

I should like to congratulate the mover of this bill on his initiative in bringing it forward for our attention, and I commend him for taking an interest in the machinery of elections, that vital process whereby our representative institution is brought into being. As I have often said in the house, in this and in previous parliaments, while the collection of private members bills with suggested amendments to the Canada Election Act is commendable, we have long passed the stage where we should have had a thoroughgoing review of the act. It used to be the custom that after a dominion election—that is an archaic word which I use—the House of Commons, with the experience that all the members derive from the contest, would sit down, look at the election machinery and make suggested improvements.

I believe we have had four elections since we have had a thorough review of this act. I had the honour to preside over the privileges and elections committee when that was last done. While it was a great honour, it was also a burden, because we had many, many meetings, heard many, many witnesses and gave exhaustive study in the process to this question. The exercise was somewhat exhausting also, but I think it was helpful. I think that is the way to do the whole job. I hope it will be done very, very soon so that all questions, that of the voter's age, party affiliations being noted on the ballot, a permanent voters list, and many other aspects of our voting process will be studied, and recommendations made

as a result of which a new act can be brought into being.

• (5:10 p.m.)

Many improvements could be made to this process. Usually I find myself in total agreement with hon. members who have brought forward bills of this kind. I am not so sure about this one. There are some things about the bill which cause me a little anxiety. However, I do not want my colleagues to forestall the vote because they think I may vote against the measure. Perhaps before the hour is out I will have been persuaded to vote for it. But I have some reservations. It seems to me that in essence the hon. member is suggesting that the procedures of our urban polling divisions be abandoned, and that we go back to those of our rural polling divisions.

The difference between the procedures, as they now exist under the legislation stems from the fact, as I understand it both in practice and from explanation by the experts, that in the rural polls there is little prospect of misrepresentation; that you are not in a situation of anonymity. This is an entirely different situation from that of the many, many large polling divisions in our great metropolitan centres, where very few officers and agents would know who in the world a given voter was who came in to exercise his franchise. In other words, although I do not think I have a particularly suspicious mind, I would be afraid that the hon. member's suggestion might make it a little easier to practise that ancient but dishonourable art of telescoping. This is not an unfamiliar art.

Mr. Knowles (Winnipeg North Centre): It is telegraphing.

Mr. Macquarrie: Yes. This shows my innocence in these matters.

Mr. Dinsdale: You are not familiar with these techniques.

Mr. Macquarrie: Where I come from there is a great likelihood that everybody would know everybody else and would have a rough idea how everybody would vote, so telegraphing of votes could not occur in Prince Edward Island. But I have heard of its occurring in other places. We know that devices like this are used in our election process, and we should try to make that process more efficient, fair and honest. Therefore I would be a little leery of this provision. I think the hon. member is to be congratulated for having introduced the bill. It is a shocking thing when, because of administrative inefficiency, Canadian citizens are denied the right to vote. This question is raised at every election. There are all kinds of people who, because of the failure of an enumerator to do his duty, finds he is denied a vote. This is a shocking thing, because our machinery should be geared to allow every qualified Canadian to exercise his franchise. Yet in election after election the enumerating process fails here and there.

I am sure there is not a constituency in Canada where there has not been embarrassment and upset on the part of qualified voters. Many people—and I say thank God they are like this—take very seriously their right to vote. Many people are deeply disturbed, profoundly upset when they find that this measure of democracy, the freedom of choice, the exercise of selection, is null and void because of the stupidity of some individual or the inadequacy of some regulation or legislation.

I think a better way of dealing with this problem would be to have a permanent voters list where, in the whole period between elections someone is concerned with the problem of keeping the voters list up to date. Once a permanent voters list is established, steps can be taken to overcome the problems with which the hon. gentleman is concerned. A permanent voters list would allow for absentee voting. A permanent voters list would allow with greater ease the transfer of a man's franchise to another election district. We live in a very mobile society and the advance poll although it has been broadened and improved, has not been able to keep up with the fact that many people have moved during the election period. You cannot hold Canadians stationary for the practically two months period of campaigning.

Incidentally, but significantly too, I would think the permanent voters list would allow for a substantially shorter election campaign. Although election campaigning is fun, I think it would not hurt the country a bit if that particular exercise were abbreviated somewhat. I believe, too, that had we a permanent voters list, and if more of the essential process were carried out of having people listed where they belong, and their qualifications certified, more or less in peacetime before the campaign started, there would be better opportunity for some of the officials whom the hon. gentleman mentioned to cope with these last-minute inadequacies, so that people presenting a legitimate case, and who are

obviously qualified to vote, can do so. Under our existing machinery they just cannot make it.

In other words, once the court of revision closes, no matter how good is your case, if you are an urbanite you are out of luck at the present time. This is not good. Under our system, when enumerators' lists are completed, hurriedly at certain times, I do not see how the revision offices could be kept open much longer than they are. My more experienced and worldly friends here, the hon. member for Brandon-Souris (Mr. Dinsdale) and the hon. member for Winnipeg North Centre (Mr. Knowles), told me that what I was really worrying about was not telescoping votes but telegraphing them. This is a matter which as a political scientist I have studied. I think this would be the one deterrent in the matter. I have not looked into the cost. I had not thought it would be such a money saver, but I would be prepared to study it. It seems to me the revision costs are among the minor ones in the holding of an election.

I commend the hon. gentleman for his initiative. We all join in the desire to broaden the opportunities for people to vote, and to maximize the exercise of citizenship on behalf of Canadians. I think the hon. member has done well in drawing our attention to this matter. I am always happy when in private members hour we are given an opportunity to look at some of the fundamenals of our process. We are doing it in the general debate, but I think we should do it much more often. In this way we can develop a little more awareness of some of the basic aspects of this institution and of the broader institution, namely the democratic process whereby we are brought into being.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, first of all I should like to support the plea made by the hon. member for High Park (Mr. Deakon), that his bill be permitted to come to a vote during this hour. He will certainly get full support on that point from those of us on this side of the house, and I hope his words were heard by his colleagues. It may be, Mr. Speaker, that this is the hon. member's lucky day. His bill is No. C-13; it has been called on Friday the 13th. The last time I counted I saw 13 Liberals in the house; I saw 13 of us in the opposition and then I started counting the people in the gallery and I managed to count 13 there. So, perhaps this is the hon. member's lucky day and his bill will get through.

[Mr. Macquarrie.]

• (5:20 p.m.)

Mr. MacDonald (Egmont): Let us hope the roof doesn't fall in.

An hon. Member: I didn't know you were superstitious.

Mr. Knowles (Winnipeg North Centre): What I am saying is that I am not superstitious. As a matter of fact, I think it would be a lucky stroke, not only for the hon. member but for the voters in urban centres across Canada if we could do something about this problem.

While I am in a light mood I might pick up the thought the hon. member for Hillsborough (Mr. Macquarrie) was discussing and run the risk of telling a story which I have no doubt has been told in this house before. It is a story told by Chubby Power, our late friend, of an experience he once had with another friend, the late Mackenzie King. It appeared that on one occasion Chubby Power had Mr. King down in Quebec city or somewhere in that area and at Mr. King's request took him out to see the grave of one of Mr. King's uncles or cousins once removed, or something of that sort. It seems they were standing looking at the grave and Mr. King said this was a relative for whom he had great respect, despite the fact he had always voted Tory. Chubby Powers says he replied, "Don't worry, Mr. King, he has voted Liberal ever since he died".

Mr. Speaker, I believe that in this bill the hon. member for High Park (Mr. Deakon) has addressed himself to one of the most serious and pressing problems we in urban centres experience every election day. He said that himself, and all of us who come from urban centres have had the experience every hour of election day of receiving calls from scores of people who are unable to vote because their names are not on the voters' list. Each new returning officer in every urban constituency vows he will do a better job than the last one, but he does not manage to get a list that has all the names on it. People in urban centres hear about people in rural areas being able to get sworn in on election day. They wonder why they cannot do the same thing.

I agree with the hon. member for Hillsborough that a permanent voters' list, as has been suggested in the report Mr. Castonguay recently made, would be a more logical and better way of solving a problem. However, the member for High Park seems to have come up with a much less costly way of dealing with the matter. It does seem to me it

should receive the support of the house. As I say, it is an issue that has stumped all of the candidates on election day in urban areas. The hon. member for High Park is to be congratulated upon bringing the matter before the house.

I am going to sit down. I support the plea that we let this bill come to a decision today. If all it gets today is second reading, although I am satisfied it could go further, at least that will be a declaration by the members who happen to be here this Friday afternoon that they support the principle of this bill. If the proposal is made from the government side that the subject matter be referred to the committee on privileges and elections, although that seems to be a compliment, it will mean that will be the last we will hear of the matter in the current session. It does seem to me this is a matter with which we should cope and the hon. member has come up with a solution for it. I hope the house will vote for it.

Mr. David MacDonald (Egmont): Mr. Speaker, I rise to speak only briefly on this important bill. The hon. member is to be congratulated upon his efforts in this regard. Indeed, it has struck me as being incongruous that in the government's great desire to bring about certain reforms in the operations of this house there has been relatively little activity to date with regard to what I suggest is of even far more concern to Canadians, that is the way in which they participate in the process of governing this country. I think it has been unfortunate that as we have developed many means of mass communication, of making mass decisions, many of which could well involve thousands of responsible Canadians, the only thing still required of most Canadian citizens in terms of the democratic procedures in this country is that once every two, three or four years they go to the polls and make an "X". Then, somehow they have fulfilled their responsibilities as citizens. I think the time is very fast approaching when Canadians are anxious to play a much larger role in their own self-government. We will have to use our imaginations not just the members in this house but the people outside as well, to think of ways in which people can be more actively involved in the process of decision making. The bill with which we are dealing this afternoon is one suggesting an amendment to the election act so that people will not be deprived of their right to vote on election day. I sympathize very much with this sentiment. I believe we are depriving far too many people of the right to vote on election day. I think it is a remarkable thing that all the Canadians who serve our government in various government departments, with the exception of those who serve in the ranks, have no opportunity to exercise their democratic franchise as citizens of this country on election day if they are outside of the country.

One could even refer to the immediate past prime minister of this country, who for many years was deprived of the exercise of his franchise because he was serving Canada, whether it was in the United States, Great Britain or some other place. I hope that matters such as this will be dealt with very shortly by the Committee on privileges and elections. I hope it will be a very active committee. I hope it will be not only studying legislation referred to it, but I hope the committee will involve many Canadians who have studied this matter and are concerned about it. The widest possible discussion should take place in the committee on privileges and elections. Following that discussion, I hope the government will put on the order paper legislation that will correct many of the inequities we have debated from time to time in this house.

I think, too, of another large group of Canadians that are deprived on a regular basis of their vote on election day. I refer to those who are in hospitals and who, through no fault of their own but because they are incapable of getting to a polling station, are unable to vote. I may say some provinces are more enlightened on this matter than the federal government in that they do permit such people to vote on election day even if they are not able personally to appear at the polls. I think, too, of those who, for one reason or another, while they may not be in hospital, because of some physical infirmity are perhaps unable to get into the polling station. Sometimes it is simply because the polling station may be some steps above ground level and these people have a heart condition or some physical incapacity which prevents them from participating in the election process.

The hon. member for Hillsborough mentioned the fact that we are a very mobile people. I think we forget that roughly a quarter of our population moves every year. There is a space of almost two months between the time of calling the election and the date of the election. During this time people may move, sometimes thousands of miles

or more, and they are thereby deprived of their right to vote. If one were able to actually make a count, and it may be worth while for this purpose to determine just how many Canadian citizens are not able to vote in an election, I think we would be both surprised and deeply disturbed. I think it important, therefore, that we consider these matters. Perhaps I may add that we must also be very careful of the rights of Canadians because the secret ballot is something to be guarded carefully.

• (5:30 p.m.)

I am still troubled by the way in which the service vote is treated as an isolated vote, not usually announced until some days after the general vote has been tabulated and published. It should be possible in this era of high speed communication and transportation, since the service vote is taken some days prior to the general election, to collect this vote, tabulate it and release it as part of the over-all vote for each and every constituency in the country. At the moment I think the situation is unfair to our servicemen. It creates a kind of political aura about the men serving in the ranks, which is not good for them, and certainly not good for the country.

I concur as well with the remarks of the hon. member for Hillsborough (Mr. Macquarrie) and his suggestion that there be established a permanent voters list. This is something that has been talked of ad nauseam, yet little has been done to ascertain its cost, as well as the benefits that might accrue, apart from the major benefit that is quite often talked about—shortening the time taken for election campaigns. That would be one virtue.

I also see many other virtues—and this relates to the first point that I made when I rose to speak. If we really believe what we often say in election campaigns, namely that people are more and more anxious to participate, to involve themselves in political questions of the day and to take part in some responsible way in national decision making, then I think by the establishment of a permanent voters list we will recognize the fact that not only are people important at the time of elections—on which we spend a great deal of money, as the hon. member for High Park (Mr. Deakon) pointed out, to tabulate names and publish lists of enumerations—but that people are important to us all of the time. By keeping annual lists of voters we might consider other ways of involving people in the ongoing decision making process that is self-government.

Generally speaking, Mr. Speaker, I concur with the provisions of this bill, though I think we could improve it a good deal by considering many of the other problems that face us in this regard. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) who suggested that, if we are to respond to the great desire of the Canadian people today to participate in a realistic way, both in 1968 and beyond, in the process of self-government, the house should approve second reading of this bill, to show our support for these kinds of changes, and then perhaps go on to deal with this bill and other measures in committee in a way that will indicate that we are taking seriously the changes and reforms that are necessary in the elections act.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, in rising to add my small contribution to the debate on this fine bill that has been presented by one of my colleagues, as usual one runs the risk of finding that most of his speech has already been made. I thank the hon. member for Egmont (Mr. MacDonald) for his words, and I am happy to know that on this Friday afternoon a member of the rump can concur so readily with a member of the opposition to my left.

I should like to add one or two points, if I may. I am in favour of the bill as presented, though I do not feel it is really broad enough in scope. We need to go a great deal further in the matter of reform. I also agree that this is a timely piece of legislation in view of the fact that we are thinking at the moment in terms of reform. I am sure we are all thinking in terms of reform, whether or not we are entirely agreed on the method.

I come from an urban-rural riding. I am sure there are many urban-rural areas throughout the country. I speak, for example, of small towns or cities which have immediately outside their limits a rural area that is in a municipality. In such areas people in the municipality prior to election day are able to be sworn in because they live in a rural area, whereas their neighbours who live virtually across the street are unable to exercise their vote. I know of nothing more aggravating to a couple of neighbours than for one to be allowed to exercise his franchise and the other not able to do so. This does create a great deal of trouble. Unfortunately it does not seem to create too much trouble for the returning officers, although it does for the candidates, because they are continually

asked to do something to correct the situation. It seems to me that a bill of this kind would be of considerable help in taking care of the urban-rural areas.

I too am concerned about the absentee ballot. A lot of people in my area are engaged in the logging business and work in the woods. Others work on fishing vessels. When they are away from home, either working in the woods or fishing on the lakes, these people are disfranchised as a result of the lack of a system of absentee voting in times of federal elections. I would hope that this bill could correct the situation. As far as swearing in prior to election day is concerned, this matter of telegraphed votes is entirely new to me. However, I have a great deal to learn, since I am relatively new to politics.

Times have changed considerably during the past two years. For example, take the matter of identification. It seems we must have a card for everything these days. As a matter of fact, cash is now referred to as the poor man's credit card. We have our driver's licence and also our pension card. There are many forms of identification card. It seems to me that if we were serious about giving each Canadian a proper card of identification, then it would be a simple matter for all voters to identify themselves at polling stations when they exercise their franchise on election day.

I should like to support my colleague who has moved this bill and I hope it will be dealt with to his satisfaction on this lucky day, Friday the thirteenth.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, first of all may I congratulate the hon. member who introduced the bill, which is very definitely an excellent step in the right direction.

Mr. Dinsdale: Then let us vote for it.

Mr. Anderson: There will be time to vote for the bill when I have finished. I realize hon. members want to get home for the week end, but I shall put forward my views in regard to this matter in a short space of time.

In addition to the need for a permanent list of voters, there are other areas in the Canada Elections Act requiring correction. I think particularly of Canadians serving their country abroad, who are unable to vote, here I do not refer to the members of the military forces. This is one aspect which as far as possible should be rectified.

Second, we must also do something about the people to whom my good friend from Fraser Valley East (Mr. Pringle) has just referred, those who are unable to vote either at the preliminary balloting or on the day of the election. I think in particular of fishermen in my riding who cannot choose the time that they go to sea. They must go out to fish during the hours that are allowed them by the licensing authorities. Therefore on some election days they are unable to vote, and this is a situation that we should correct as soon as we can possibly do so.

• (5:40 p.m.)

In conclusion, Mr. Speaker, I regret that this bill and others like it did not come forward to be passed by the house in time to have an effect on the election in Nanaimo-Cowichan-The Islands. Distinguished candidates are running for office in that election.

Mr. Winch: You bet.

Mr. Anderson: It may be that a man of the calibre the hon. member for Vancouver East might wish to see in the house will soon be here.

Mr. Winch: He'll be here after the election.

Mr. Anderson: It is unfortunate that this house did not correct the shortcomings of the Canada Elections Act before holding the election in Nanaimo-Cowichan-The Islands. With these remarks I will sit down, Mr. Speaker, taking care to point out to hon. members that I have not talked the bill out.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, a certain ritual has developed with respect to private bills, and remarks during this debate reflect that ritual. Some hon. members tried to deal with the principle of the bill while others tried to deal with procedure. I confess to being disappointed with the speech of the hon. member for Winnipeg North Centre (Mr. Knowles) because his entire remarks were devoted to the principle of getting the bill voted on. He did not analyse the contents of the bill, although I know he is well capable of doing so. In some respects I appreciated the remarks of the hon. member for Hillsborough (Mr. Macquarrie) who dealt with the principle of the bill.

The ritual we have developed is this: The mover of the bill says, "We should let this bill come to a vote; it is so unfortunate that so many private members bills are not voted on, and these bills ought to be voted on according to their merits", and so on. Well, Mr. Speaker, at the present time there are more than 100

private members bills before the house, and if we were to yield to the ritual each one of our proponents would have us go through, the work of our committees would be substantially changed. Frankly, and I suggest this humbly, I do not think every one of those bills is so carefully drawn that it deserves to be passed in the form in which it is presented to the house.

On the subject of reforming private members hours and abandoning this ritual, perhaps I can tell hon. members what happened in a previous parliament in which I served. A bill similar to the one before us today was part of the package before the house. An hon. member in the house belonging to the party to which the hon. member for Winnipeg North Centre belongs—he is now a member of the press gallery—had between 15 and 20 private members bills before the house. He gave them exotic names such as "an amendment to the Criminal Code" and so on. From the name he gave a particular bill we could not really know what it was about. One day I listened to him speaking on a bill and, frankly, I could make no sense of it. An hon. member who is now the Minister of Energy, Mines and Resources asked the hon. member making the speech if his notes were mixed up, and whether he was not speaking to the wrong bill. It turned out this was correct: The hon. member had gone through half his speech speaking about another bill. He had pulled the wrong file from his cabinet.

The concern I have here is this: I do not believe that the substance of this bill is such that I can support it. I wish to congratulate my colleague from High Park (Mr. Deakon) on his attempt to deal with a serious problem that we all recognize exists at election times, the problem of the voter who should not have been qualified and has not been qualified, but who shows up at the polls. In a rural poll he can take an oath vouched for by an elector; in an urban poll he cannot. My colleague has therefore argued, and he quoted some convincing material to support his argument, that we should follow the procedure of the rural polls.

I have been a candidate in four elections; in three of them I had a mixed rural and urban constituency with rural and urban polls. May I say that problems with respect to polls differ a great deal in different parts of the country. I had the privilege of serving as a member of the privileges and elections committee when that committee in 1963, 1964 and 1965 held a series of hearings on the Canada Elections Act. It reported to the house. Unfortunately, because of the log jam of legislation before this house and the difficulty of resolving procedural rules in order to deal with these matters more expeditiously, the proposed legislation was not enacted and the amendments did not come forward in the form we hoped they would.

At this stage, Mr. Speaker, may I put before the house some procedures that deal with the establishment of voters lists. There is good reason for having different procedures in most urban constituencies, as against rural constituencies. In the rural constituency a single enumerator enumerates the voters and prepares lists. In an urban constituency, in the urban polls, there are two enumerators named from the two political interests which received the highest and the second highest number of votes in the previous election. The theory is that these enumerators will watch one another to make sure there is no irregularity and no omission. Each one of them has the opportunity of making observations and comments to his associate doing the same job. The purpose for this is to serve the public interest as carefully as it is possible to do so.

Then comes the revision procedure. Those of us who have worked under it have found it trying and somewhat vexing. But the elimination of courts of revision in my opinion is not the proper answer to what is wrong. I do not care how expensive it is; I am concerned more with questions of principle. If you want to talk about the expense of conducting an election you could talk about the expense of the military vote; you could talk about how expensive it is to try to guarantee that as many Canadians as possible have the right to vote, under circumstances which are compatible with democracy. If we eliminated courts of revision and permitted a very simple procedure on election day, let us think for a moment what we would face.

Let us think of what happened in the last election when there were complaints about revisions of boundaries. In the constituency which I have the honour to represent the boundary runs down the middle of the street, down the middle of Baseline road. Before the previous election it included one strip of houses on the other side of Baseline road. On election day many people found, to their surprise, that they would not be voting in Ottawa West but in Grenville-Carleton, the constituency on the other side of the street.

If you had a simple procedure along the lines of that in rural polls you might get

something like this: A man might say, "I know John Smith; he lives on Baseline road; I live on Baseline road and I can vouch for him; he has lived there for a long time, is a jolly good chap", and so on. The system just would not work if you did not have in your poll an extremely well qualified deputy returning officer, who would be absolutely informed of the latest boundary revisions of the constituency and thoroughly aware of all the little facts of geography, such as the street here or there that runs down the corner to a cul-de-sac; that it bends just before it gets to the cul-de-sac and that the people in the middle of the cul-de-sac vote in one constituency and those at the end in another constituency. I should have considerable reservations about adopting a system that requires this. I will not use the expression the hon. member for Hillsborough used, but I think hon. members will know what I mean.

The vote of someone not properly qualified to vote is not a proper vote. It is better, Mr. Speaker, that thousands of dollars be spent to make sure that there are no irregularities than that in the interests of economy we should open the door to permit a number of voters who are not properly qualified to swamp election machinery or individual polls by permitting the taking of oaths under the pressure of election day and, if I may say so, thereby possibly subverting the results of such an election.

• (5:50 p.m.)

The number of circumstances in which hon. members of this house are elected by very small margins is fairly large in the kind of contests we have now. What I am saying is not academic; it is a matter of serious concern to members who are worried about the principles by which we conduct ourselves in democratic elections. In rural constituencies there is a presumption of knowledge. The boundaries of such constituencies are more easily defined—they are not as closely drawn as they are in the great urban centres. Moreover, residents do not change as quickly. It is literally possible to go to a deputy returning officer and say, for instance: The Smiths have not moved out. Why are they not on the list? Everyone knows a mistake has been made, and it is corrected.

There is a certain wisdom which has been accumulated in the Canada Elections Act. It is not a haphazard document. It represents the results of experience during a number of elections conducted in this country at different times. Members of the committees which have examined this problem have come to the conclusion, in their wisdom, that there is necessity for flexible arrangements in the rural areas. This seems to work. There is no great evidence of abuse nor, in my opinion, is there much possibility of abuse as a result of such flexibility. I have not known abuse to take place in the three elections with which I have been concerned although there was a substantial rural population.

I would, however, be gravely concerned about the mechanical difficulty of coping on election day with the number of people who would come to the polls at the boundary of a constituency, especially if those boundaries had been subject to recent change, and claim that they should be put on the list. In many cases they would do so with the best of intentions, in the firm belief that they belonged to a particular constituency, when in fact they did not.

The possibility of irregularities and contested elections arising out of such a situation is very great, in my opinion. As I said before, I am concerned about the way in which previous speakers have dealt with the subject matter of the bill. Although this subject is one which causes me concern personally, I don't believe the direction they have indicated is one I should like to see this legislation take. I may be wrong, but if I recall correctly the evidence given before the committee by Mr. Castonguay, who is experienced in these matters and who has the complete confidence of all parties in this house, it was not such as to prompt those of us who were members of the committee to move to include this type of amendment in the act. The committee did not deal lightly with the measure, and for this reason I personally feel that in the circumstances I cannot support the principle of the bill.

Mr. Grant Deachman (Vancouver Quadra): In a moment or two I propose to move that the subject matter of this bill be referred to the standing committee on privileges and elections. Before I do so I might say that this is one of a number of bills on the subject of electoral reforms and various reforms in connection with electoral boundaries which now stand on the order paper as public bills. Since it is the intention of the government to send the elections act to the committee on privileges and elections at some time during the session, the government has indicated that the subject matter of bills of this nature could also be reviewed at that time. Thus, the subject matter of the bill now before us will

receive thorough consideration when the elections act is referred to the standing committee.

I therefore move:

That the subject matter of the said bill be referred to the standing committee on privileges and elections.

Motion agreed to.

The Acting Speaker (Mr. Béchard): The hour provided for the consideration of private members business has now expired. It being six o'clock this house now stands adjourned.

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

HOUSE OF COMMONS

Monday, December 16, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—COMMITTEE DISCUSSION OF PROCEDURE RECOMMENDATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. This in fact is the first opportunity I have had since Friday to consult the record and hence bring the appropriate parts of that record before the house. It concerns something in connection with which I believe there was a misrepresentation on Friday of last week. On page 3920 of *Hansard* for December 13 the Minister of Agriculture (Mr. Olson) is reported to have said:

> Indeed, hon. members opposite have had the opportunity to say what they think of the provisions of 16-A because I am advised that they refused to discuss it at all in the committee. If that is so, Mr. Speaker, then this debate has been useful because now we have—

At that point I interrupted and the following exchange is reported to have taken place:

> Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. That statement is not true.
>
> Mr. Macdonald (Rosedale): I rise on another point of order. That statement is true.
>
> Some hon. Members: Oh, oh.
>
> Some hon. Members: Hear, hear.

That was "oh, oh," not "ho, ho" Mr. Speaker. I continue quoting what took place:

> Mr. Speaker: Order, please. Hon. members know that the basis of our discussions is that we have to accept the statement made by an hon. member, so I assume we have to accept both statements.
>
> Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. We discussed 16-A in the committee at great length. We had a vote on it. We tried to persuade the government to cut it off half way. All I am trying to make clear at this point is that the statement that it was not discussed in the committee was incorrect.
>
> Mr. Olson: Mr. Speaker, I will accept that they perhaps discussed it but they refused to negotiate on the terms and conditions. There was a refusal to negotiate on the terms. They did not want to talk about it when they saw it.
>
> Mr. Knowles (Winnipeg North Centre): Even that is not true. The minister cannot get away with that nonsense.

29180—250½

I rise today on this question of privilege, Mr. Speaker, not to ask the house to set my word against the word of hon. gentlemen opposite or vice versa but simply because there is a record of what went on in the special committee on procedure, and I want to refer to that record. I have in my hand the minutes of two of the meetings of that committee, and they make it clear that my statement was correct. I will not take the time of the house to read these minutes in full, but I believe I am entitled to refer to them. I am not referring to several days when we made incidental references to this question, or days when we were told this was the problem we would have to deal with before we got through with our business.

At any rate, the record or minutes of the committee show that on Tuesday, November 26, at a full dress meeting, after a few preliminaries the greater part of the meeting—in fact four pages of minutes—had to do with the question of the programming of house business. The minutes indicate that some of us objected to any idea of putting the matter completely in the hands of the government. In the minutes this sentence is to be found on page 2:

> Mr. Macdonald said that he had to insist on a residual power being given to the government.

It is reported that Mr. Macdonald went on to say that his colleagues would expect him to put through a certain program of legislation, and the reserve or residual power would be needed to ensure this. Two pages later in the minutes the point is reached where the committee agreed to instruct the clerk of the committee to prepare a paper for referral to the draftsman as follows—and there are a number of points which indicate the things we were all agreed on; namely, that there was to be a proceedings committee; that it was to hold meetings; that it was to have a chairman and so many members, and so on; but that it was to act, so far as these parts of the proposal were concerned, only on the basis of a unanimous decision.

• (2:40 p.m.)

At that point the minutes said, quite correctly, that the President of the Privy Council

said he would prepare a draft dealing with cases when there was disagreement in the business committee.

That was on Tuesday, November 26, and I say practically the whole of that meeting was devoted to a very thorough discussion of this whole matter even before there was a draft in front of us.

Then the minutes of Tuesday, December 2, will show that we met at 8.30 p.m. in room 112N and did not adjourn until 10.30 that night. It is recorded that a draft of 16A was placed before us. In fact there were two drafts, one which had been prepared by the clerk of the committee at our request and another prepared by the President of the Privy Council which went much further and was more or less along the lines of the proposal in the report which was finally made.

The minutes of the committee include a report of the statements made by several of the members of the committee. For example, I am quoted as saying that the question of programming business was one which had constitutional overtones. I said parliament was a place of debate and there were certain ground rules which had always been observed. I said I still had faith in co-operation and consultation and believed that a proceedings committee would be able to agree on the programming of business without an ultimate sanction. Later, as the minutes say, I made it clear that in my view such a rule would be detrimental to parliament and that no government had the right to take such powers.

The discussion went on, and among those taking part in it were the hon. member for Edmonton West, the hon. member for Sudbury, the hon. member for Saskatoon-Biggar, the hon. member for Vancouver-Quadra and the hon. member for Peace River. Finally the chairman indicated that since we .were in disagreement the only thing to do was to take a vote, and each clause was called separately. The minutes say that Mr. Lambert recorded his dissent on section 1, Mr. Knowles on section 2, minor drafting changes were incorporated in section 3, changes were made in section 4, and so on. Mr. Macdonald, seconded by Mr. Jerome, then moved that the proposed standing order as amended be adopted for inclusion as a recommendation in the report of the committee. On this question the committee divided: yeas, Messrs. Deachman, Forest, Jerome, Lang, Macdonald; nays, Messrs. Baldwin, Fairweather, Knowles, Lambert. The minutes show that the vote represented a straight division between hon. members on the government side and hon. members of the opposition.

Surely in the light of this record it is clear that we did discuss this subject at length for two full meetings. This is a controversial question, and I submit that for the minister to say he was advised—

Mr. McIlraith: This is wholly out of order.

Mr. Knowles (Winnipeg North Centre): —that we did not want to talk about it when we saw it is a misrepresentation of the facts of the case. I know it has been said outside the house that though we talked about it we did not negotiate. Well, when we tried to negotiate we were simply told that the government was in power and that the government intended to put it through.

However, the record is clear. We discussed it at length, and I therefore believe the statement made the other day should not go unchallenged. That is why I have raised the matter today on a question of privilege, to put the facts on record and make this correct statement with regard to it.

Some hon. Members: Hear, hear.

Hon. Donald S. Macdonald (President of the Privy Council): The first thing to be said is that this whole matter, as the hon. member himself has indicated, was the subject of a question of privilege last Friday. It is therefore difficult to see why it should be raised again now, unless it is a device to bootleg the minutes of the committee into the record of this house.

I believe in fairness the hon. member would agree that at no time did we put it to him or to other members that they had no choice but accept this proposal. There was in fact an intensive discussion.

But on the points which were raised by the Leader of the Opposition I think he would equally agree that the question of notice was not the subject matter of any discussion. I do not think he will find this in the record at all. It well may be a matter of argument as to whether there was negotiation in the committee. We felt on the whole that hon. members were not prepared to come forward with what seemed to us reasonable changes in the rules; but surely, Mr. Speaker, this kind of difference of opinion as to the manner in which discussions were carried on does not represent a question of privilege.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise to support fully the statements made by the hon. member for Winnipeg North Centre on this question of privilege. Not only with regard to the particular days in November and December mentioned do the minutes disclose discussion and negotiation, but if we go back to the minutes of November 15 you will find the entire meeting was devoted to a discussion of this particular issue, with proposals and counter proposals flowing back and forth between both sides. Consequently I felt I had to support the hon. member on his remarks directed to the terminological inexactitude perpetrated by the Minister of Agriculture (Mr. Olson).

If there was not more negotiation it was for a very good reason, which was made quite plain to us at one period during these discussions in committee. The words as used by government members were to this effect: "This is political warfare. We are going to have our way. We want what we want, and we are going to get it—"

Mr. Speaker: Order.

Mr. Baldwin: —and "If we were where you are we would be fighting it just as hard as you are." How do you negotiate with a bulldozer, Mr. Speaker?

Mr. Speaker: Order, please. I have listened to the point made by the hon. member for Winnipeg North Centre. Actually it is not necessary for the Chair to reach any decision, since the question of privilege raised by the hon. member was not followed by a motion, so that according to the rules there is no necessity to determine whether there is actually a prima facie case of privilege. The hon. member for Winnipeg North Centre knows much better than I do the statutory provisions and the precedents and rules of the house dealing with privilege, and in particular citation 113 in Beauchesne's fourth edition where it is said:

> —a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

The hon. member may feel he was duty bound to further substantiate the statement he made on Friday last when he raised the question of privilege, but I suggest that the matter having been raised on Friday and continued at this time, it should not be pursued further.

[*Translation*]

MEAT INSPECTION ACT

PROVISION THAT GRADE STAMP BE IN BOTH LANGUAGES

Mr. Fernand-E. Leblanc (Laurier) moved for leave to introduce Bill No. C-143, intituled "An Act to amend the Meat Inspection Act (Inspection Legend)".

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, at a time when all Canadians seem to unite in promoting bilingualism and biculturalism, it seems to me appropriate to draw the attention of the Minister of Agriculture to the importance of this bill, which was already introduced on January 22, 1968 as Bill No. C-196.

Section 68 of the regulations under the act provides that the stamp put on inspected meat shall be in English only. Consequently, this bill stipulates that the stamp shall henceforth be in the two official languages and that it shall bear the same maple leaf as the Canadian flag.

Motion agreed to and bill read the first time.

[*English*]

DIVORCE ACT

EXTENSION OF JURISDICTION TO COUNTY AND DISTRICT COURTS

Mr. Andrew Brewin (Greenwood) moved for leave to introduce Bill No. C-144, to amend the Divorce Act.

Some hon. Members: Explain.

• (2:50 p.m.)

Mr. Brewin: Mr. Speaker, the purpose of this bill is to confer a concurrent jurisdiction on the county and district courts of provinces other than Quebec and Newfoundland in divorce matters. Under the bill for divorce which was passed at the last session, jurisdiction was given to the supreme courts alone of the provinces. It has been found in experience, exactly as had been anticipated by some of us, that the supreme court is being clogged with a great load of actions for divorce resulting in delay, the holding up of cases, and the courts being unable to do their work. The purpose of this bill is to give concurrent jurisdiction to county and district courts, which incidentally will make the proceedings less expensive.

Motion agreed to and bill read the first time.

Questions

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*SASKATCHEWAN—SHIPMENT OF POTASH BY TRUCK

Question No. 185—**Mr. Nystrom:**

Has International Minerals informed the Department of Transport that they intend to ship potash by truck to a United States border point for reshipment by rail and, if so, has the Minister of Transport made representations to the company with a view to safeguarding the economic position of the rail centre of Melville?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Transport reports as follows: The answer is no.

DUMPING OF FILL, LAKE ONTARIO

Question No. 570—**Mr. Robinson:**

1. What is the government policy regarding the dumping of fill in Lake Ontario along the shoreline of Metropolitan Toronto?

2. What arrangement has the federal government with Metropolitan Toronto, the City of Toronto or any of the Boroughs of Metropolitan Toronto regarding the dumping of fill (a) along the waterfront of the Canadian National Exhibition (b) along the waterfront of the Borough of Etobicoke (c) along the waterfront of Marie Curtis Park and the immediate vicinity (d) at or near the mouth of the Humber River (e) at or near the mouth of the Mimico Creek (f) at or near the mouth of the Etobicoke Creek?

3. (a) Has the government taken any action against the dumping of fill as referred to in Parts 1 and 2 above, and (b) what action has been or will be taken against the violators?

Hon. Paul Hellyer (Minister of Transport): 1. The policy of the department regarding the placing of fill in lake Ontario along the shore of metropolitan Toronto is to treat each application for approval under the Navigable Waters Protection Act individually and independently and on its merits.

2. The federal government has no understanding or arrangement with metropolitan Toronto or any other town, borough or city regarding the placing of fill along the areas mentioned.

3. (a) No. (b) The matter will be investigated and appropriate action taken if warranted.

[Mr. Brewin.]

AMALGAMATION OF QUEBECAIR AND EASTERN PROVINCIAL AIRWAYS

Question No. 683—**Mr. MacLean:**

1. Has an application been received by the Canadian Transport Commission from Quebecair and Eastern Provincial Airways, seeking approval for these two airlines to amalgamate their services?

2. Has such a request been granted?

3. What effect, if any, will the granting of this request have on the frequency and quality of service provided by these two airlines?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: 1. Yes; a joint letter has been received from Quebecair and Eastern Provincial Airways "for authority to interchange equipment and/or Quebecair to fly the routes of Eastern Provincial Airways or, alternatively, Eastern Provincial Airways to fly the routes of Quebecair".

2. Insufficient information was provided and the companies have been advised by the air transport committee of the Canadian Transport Commission of the type of material required to give proper consideration to the proposal. Upon receipt of a complete application the matter will be considered by the committee.

3. The companies hope to make improvements in the service provided to the public and this is one of the matters the committee will consider in dealing with the application.

PAYMENTS TO GOTTLIEB & CO.

Question No. 718—**Mr. McIntosh:**

1. Did Gottlieb & Company receive any fees or other payments in the field of public relations for EXPO during the last four years?

2. If so, how much?

3. What is the address of said company?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports that: 1. No.

2 and 3. Not applicable.

COMMISSIONAIRES AT AIRPORTS

Question No. 771—**Mr. Muir (Cape Breton-The Sydneys):**

How many members of the Canadian Corps of Commissionaires are stationed at each airport in Canada?

Hon. Paul Hellyer (Minister of Transport): The breakdown of the numbers of members

of the Canadian Corps of Commissionaires and the airports they serve is as follows:—

Ontario region		Numbers
Toronto		25
Ottawa		9
Windsor		2
London		2
	Total	38
Central region		
Saskatoon		3
Regina		1
Winnipeg		8
	Total	12
Western region		
Edmonton		12
Calgary		16
	Total	28
Pacific region		
Vancouver		14
Victoria		3
	Total	17
Quebec region		
Montreal		32
Quebec		6
Sept Iles		4
	Total	42
Atlantic region		
Fredericton		3
Gander		5
Stephenville		2
Moncton		4
St. Johns/Torbay		3
Sydney		2
Saint John, N.B.		5
Halifax		5
	Total	29

ESQUIMALT—DISCHARGE OF SEWAGE BY NAVAL SHIPS

Question No. 775—**Mr. Anderson:**

1. Are Canadian naval vessels other than submarines discharging raw sewage into the waters of Esquimalt Harbour and, if so, does the Department of National Defence intend to install holding tanks on its vessels on the West Coast?

2. If not, what other steps are being taken to reduce pollution of the harbour?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Defence and the Department of Transport as follows: 1. Yes. No, it would be extremely expensive to modify existing warships to take holding tanks.

2. None.

MIXING OF GRADES AT TERMINAL ELEVATORS

Question No. 779—**Mr. Southam:**

Is the government giving consideration to revising the Canada Grain Act to permit the mixing of all grades of grain at the terminal elevators?

Hon. H. A. Olson (Minister of Agriculture): This matter has been considered in long range studies but further research is required before final decision can be made.

MERCURIAL TREATED GRAIN DELIVERIES

Question No. 780—**Mr. Southam:**

How many instances in 1968 (a) have the Board of Grain Commissioners had with respect to mercurial treated grain deliveries (b) how many charges have been filed (c) how many convictions have been obtained?

Hon. H. A. Olson (Minister of Agriculture): (a) 25 shipments were found to contain mercurial treated kernels. (b) The board has recommended prosecution in two instances. One is now before the courts and the other under review as to appropriate action by an agent of the Department of Justice. (c) See (b).

DESIGNATED AREAS FOR WHEAT PRODUCTION

Question No. 781—**Mr. Southam:**

Is the government giving consideration to breaking down the Prairie Provinces into two or three designated areas with a view to allocating production of high quality Red Spring Wheat to the normally semi-drought areas, and the production of lower grades to the higher yield lower grade geographic regions?

Hon. H. A. Olson (Minister of Agriculture): Not specifically, but this is one approach under discussion.

INCREASE IN HANDLING CHARGES, TERMINAL ELEVATION

Question No. 782—**Mr. Southam:**

Is it the government's intention to support the request of the Western Wheat Pools for an increase of handling charges at the terminal elevators?

Hon. H. A. Olson (Minister of Agriculture): The Board of Grain Commissioners, which has the responsibility for setting of maximum tariffs for services performed by elevator

companies, is presently reviewing all briefs submitted to them at their public hearing held in Winnipeg on November 6, 1968.

CALGARY AIRPORT CLASSIFICATION

Question No. 790—**Mr. Mahoney:**

1. Is the Calgary Airport classified as an international airport?

2. If not, does the government intend to classify it as an international airport, and, if so, when?

Hon. Paul Hellyer (Minister of Transport): 1. Calgary airport is classified as an alternate airport for use by aircraft engaged in international air carrier operations. It has not been classified as an international "regular" airport due to a lack of suitable inspection service facilities.

2. Improvements are now being undertaken to provide additional space in the terminal building which can be made available for inspection services. When this work is completed, the airport will be officially designated as a "regular" for international use.

AIRPORT CONSTRUCTION, THETFORD MINES, QUE.

Question No. 815—**Mr. Dumont:**

Has the Minister of Transport received a request for the construction of an airport at Thetford Mines and if so (a) when (b) has he taken any steps in this regard?

Hon. Paul Hellyer (Minister of Transport): Yes. (a), June 1966. (b) Officials of the department have been requested to perform economic and engineering studies to determine if federal funds would be justified to assist in the construction of an airport at Thetford Mines.

PENSION APPEAL BOARD

Question No. 835—**Mr. Fortin:**

1. Who are the members of the Pension Appeal Board, what is the salary of each and what is their term of appointment?

2. How many cases have been heard by the Board since it was established?

3. In what location or locations does the Board meet?

4. What are the names of the employees of the Board and what are the qualifications of each?

5. Are the decisions of the Board published and, if so, where?

6. If such decisions are not published, for what reasons?

[*Translation*]

Hon. John Munro (Minister of National Health and Welfare): 1. Chairman, Mr. Justice Paul Émile Côté of the Superior Court of the Province of Quebec; Member, Mr. Justice Joseph Alfred Monnin of the Court of Appeal of the Province of Manitoba; Member, His Honour Judge M. L. Tyrwhitt-Drake of the County Court of the County of Victoria, British Columbia. As the members are judges, their salaries are determined under the Judges Act, by their appointment to the courts of the various provinces. They are appointed at pleasure by Governor-in-Council.

2. Three.

3. The intention of the Board is to hear the appeals before it in such locations as are convenient to the parties and the Board.

4. The Registrar of the Board is Mr. Jacques Bonneau, Lawyer. On a temporary basis, clerical and other help is provided as required by the Canada Pension Plan, Department of National Health and Welfare.

5 and 6. Copies of the decision of the Board are available and may be obtained from the Registrar. As more decisions are made, the Board will decide whether they will be reproduced in full, in the form of Reports.

[*English*]

STATUTE REVISION COMMISSION

Question No. 839—**Mr. Fortin:**

1. When was the Statute Revision Commission established and who are its members?

2. What are the terms of reference of the Commission?

3. Is the Commission required to complete its work in 1968 and, if not, for what reason and when is it expected that its work will be completed?

4. What is the size of the staff of the Commission and how many of its employees have (a) French (b) English, as a mother tongue and how many are bilingual?

[*Translation*]

Hon. John N. Turner (Minister of Justice): 1. The Statute Revision Commission was established on the 4th day of May, 1965. The present members of the Commission are: Honourable John N. Turner, Q.C., Minister of Justice; Mr. D. S. Maxwell, Q.C., Deputy Minister of Justice; Mr. R. Bedard, C.R., Associate Deputy Minister of Justice; Mr. D. S. Thorson, Q.C., Associate Deputy Minister of Justice; Mr. Jean Miquelon, C.R., President, Crown Assets Disposal Corporation; Mr. J. W. Ryan, Director, Legislation Section, Department of Justice.

2. The duties of the Commission are to examine the Revised Statutes of Canada, 1952,

and the public general statutes of Canada enacted since the coming into force of the Revised Statutes of Canada, 1952, and, in accordance with the provisions of 1964-65, c. 48, arrange, revise and consolidate the said statutes (1964-65, c. 48, s.2).

3. No date is provided for the completion of the revision. The authorizing statute contemplated that current statutes would be included in the work of the revision (see 1964-65, c. 48, s.3). Original target dates have been extended to make the revision as topical as possible upon its completion with the least possible use of amending supplemental volumes. The present target date is late Fall of 1969 to insure inclusion of 1968-69 sessional matter.

4. The staff of the Commission consists of six persons; French is the mother tongue of four and English is the mother tongue of two. Four of the employees of the Commission are bilingual, two are not. The services of six members of the Department of Justice are available to the Commission; all six are bilingual with mother tongues as follows: English 1; French 5.

[*English*]

AIRPORT WORKS, ST. GEORGES DE BEAUCE, QUE.

Question No. 849—**Mr. Rodrigue:**

Has the Minister of Transport received any requests for certain works to be carried out at the St. Georges de Beauce Airport and, if so, when will such work be carried out?

Hon. Paul Hellyer (Minister of Transport): Yes. Provided that the town of St. Georges de Beauce executes an agreement with the Department of Transport and completes certain undertakings with respect to the title of the land constituting the airport site, it is proposed to call tenders next spring and thereafter award a contract so that the work may be carried out in the summer of 1969.

STAFF POSITIONS, CAMP HILL HOSPITAL

Question No. 859—**Mr. Coates:**

1. Was a freeze placed on all Civil Service positions at Camp Hill Hospital on March 1, 1968?

2. Was there a shortage of staff on the date the freeze went into effect and, if so, how many positions were not filled at the date on which the freeze was placed?

3. Was a further staff reduction ordered relating to nursing facilities at Camp Hill Hospital after March 1, 1968 and, if so, what was the extent of the staff reduction?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. In line with government policy the strength of the whole department was fixed at the level existing on March 1, 1968. No freeze was imposed on any specific institution, including Camp Hill.

2. 27 positions were vacant on March 1, 1968.

3. No.

C.M.H.C. LOANS, TEMISCAMINGUE CONSTITUENCY

Question No. 867—**Mr. Caouette:**

What is the total amount of loans approved by Central Mortgage and Housing Corporation in the constituency of Témiscamingue over the past five years, and how many dwellings have been built with the help of such loans?

Hon. Paul Hellyer (Minister of Transport): The number and amount of loans approved by Central Mortgage and Housing Corporation from 1963 to 1967, and the number of dwelling units built with the help of these loans, are shown in the following table. In addition, three loans for $24,000 were approved in 1967 to finance the purchase of existing housing under section 40 of the National Housing Act.

Net NHA Loans Approved for New Housing in the Municipal County of Temiscamingue, 1963-1967

Period	Approved Lenders			CMHC Section 40			Total		
	Loans	Units	$000	Loans	Units	$000	Loans	Units	$000
1963	11	11	134	20	20	246	31	31	380
1964[1]	10	10	127	12	13	151	22	23	278
1965	10	10	129	8	15	146	18	25	275
1966	—	—	—	15	15	189	15	15	189
1967	11	12	162	13	25	298	24	37	460

[1]In addition, an increase of $148,000 was approved for a student housing loan initially approved in 1962.

Questions

NATIONAL DEBT

Question No. 873—**Mr. Robinson:**

1. What was the total amount of the National debt as at March 31, 1968?

2. What is the annual cost of servicing National debt?

3. What proportion of the interest paid on the National debt is paid to (a) Canadians (b) others?

4. What policies does the government follow with respect to the liquidation of the National debt?

Hon. E. J. Benson (Minister of Finance): 1. The net debt of Canada, or the excess of liabilities over net recorded assets, was $16,757 million at March 31, 1968.

2. The annual cost of servicing the public debt is as follows:

Public Debt Charges	1968/9*	1967/8
	$	$
Interest and annual amortization of bond discount, premiums and commissions	1,470,000,000	1,270,939,500
Servicing costs and costs of issuing new loans	4,006,900	2,966,900
	1,474,006,900	1,273,906,400

* Estimate

3. Interest on the unmatured public debt including treasury bills

	1968/9*		1967/8	
	$M	%	$M	%
Payable in Canada	1,116	98.2	942	98.3
Payable in other countries	21	1.8	16	1.7
	1,137	100.0	958	100.0

* Estimate

Certain of the interest payable in Canada may in fact be payable to non-resident holders of government bonds denominated in Canadian dollars. This proportion is unknown. However, the Bank of Canada has estimated that at the end of June, 1968, of market issues of the government of Canada of $7,072 million held by the general public, $1,032 million were held by non-residents. This amount represented just over 4.5 per cent of the total of government of Canada direct and guaranteed securities outstanding at that time.

4. The national debt is the net cumulation of past deficits and surpluses of the federal government. Consequently, the extent to which the net debt grows or contracts will depend on the extent to which federal outlays exceed or fall short of receipts in the future and this will depend on the social and economic policies of the government as well as the economic conditions prevailing then.

[Mr. Hellyer.]

POST OFFICE CONSTRUCTION, AUTHIER, QUE.

Question No. 874—**Mr. Laprise:**

1. When was the first tender call made for the construction of a post office at Authier, Quebec, and what was the closing date?

2. Who submitted tenders, and what price was quoted in each case?

3. For what reason is this construction not being carried out?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. The first tender call was made on March 14 and closed on April 10, 1968.

2. Construction Filiatrault; C.P. 37, Dupuy Abitibi Ouest, $20,960; Les Constructions St. Amant Inc., C P 459, La Sarre, Que., $21,650; Michel Rivard Ltee, C. P 127, Barraute Abitibi, Que., $22,250; Alson Inc., C P 8, Amos, Que., $22,350; Paul Emile Bordeleau, C P 817, La Sarre Abitibi Ouest, $22,425; Adelard Pelletier Inc., 142, 1ere Rue Est, La Sarre, Que., $22,500; Jean-Paul Labrecque Inc., 612, 4E Rue Est, Amos, Que., $27,500.

3. A contract could not be awarded as a result of this tender call. Before the matter was resolved the winter works program was cancelled.

[*English*]

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 883—**Mr. Southam:**

1. What was the total amount in the Public Service Superannuation Account as of March 31, 1968?

2. What was the interest paid to this account in the fiscal year ended March 31, 1968?

3. What was the amount paid out in pensions for the fiscal year ended March 31, 1968?

4. What were the total number of retired civil servants, members of the Armed Forces, RCMP and widows who received pensions for the year ended March 31, 1968?

5. What action does the government contemplate taking with respect to the Report of the Joint Committee of the Senate and House of Commons tabled May 8, 1967, recommending increases in such pensions?

Hon. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance, National Defence and Solicitor General as follows: 1. $2,875,823,276; 2. $110,897,897; 3. $73,106,447.

4. Civil servants, 34,478; Widows of civil servants, 17,157; Former members of the Canadian armed forces, 23,684; Widows of armed forces personnel, 2,165; Members—R.C.M. Police Pension Continuation Act, 1,952; Members—R.C.M. Police Superannuation Act, 269; Widows—R.C.M. Police Pension Continuation Act (Part II—widows of officers), 71; Widows—R.C.M. Police Pension Continuation Act (Part IV—widows and orphans), 80; Widows—R.C.M. Police Superannuation Act, 63.

5. The question of increasing the pensions paid to former members of the public service, Canadian Forces and Royal Canadian Mounted Police continues to receive active consideration in relations to that report and other considerations.

EDMONTON INTERNATIONAL AIRPORT

Question No. 885—**Mr. Paproski:**

1. How many Customs Inspectors are currently employed at the Edmonton International Airport, and how many are (a) available on a shift-work basis, and (b) available per shift?

2. How many Customs inspectors were employed at the Edmonton International Airport in the years 1967, 1966 and 1965?

3. How many Immigration Officers are currently employed at the Edmonton International Airport, and how many are (a) available on a shift-work basis, and (b) available per shift?

4. How many Immigration Officers were employed at the Edmonton International Airport in the years 1967, 1966 and 1965?

5. How many pasengers entering Canada arrived at Edmonton International Airport in the years 1967, 1966 and 1965 and how many have entered in 1968 to date?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Manpower and Immigration and National Revenue as follows: 1. A 24-hour service is maintained at the passenger terminal employing one officer per shift. In addition, a day shift of one man is maintained, at the cargo terminal. (a) A total of nine officers is available on a shift-work basis, and (b) the complete complement of nine men is available per shift if required.

2. During the years 1967, 1966 and 1965, nine officers were employed at Edmonton international airport on a shift-work basis.

3. Nil. The immigration examination of international passengers is conducted by immigration officers employed at the immigration office in the city of Edmonton on an on-call rotation basis.

4. Nil. The immigration examination of international passengers during 1967, 1966, 1965 was conducted by immigration officers employed at the immigration office in the city of Edmonton on an on-call rotation basis.

5. 1967, 26,711; 1966, 21,128; 1965, 17,834; To date 1968, 32,342.

ARMED FORCES PERSONNEL, CORNWALLIS, N.S.

Question No. 887—**Mr. Comeau:**

1. What is the present number of Armed Forces personnel stationed at Cornwallis, N.S.?

2. Has any reduction occurred during the past five years and, if so, for what reason and is further reduction of personnel anticipated?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. As of 30 September, 1968—1,331.

2. Yes due to the general reduction in the total strength of the Canadian armed forces; however, no significant reduction is anticipated in the foreseeable future.

PRESS RELEASES, HEALTH AND WELFARE DEPARTMENT

Question No. 900—**Mr. Howard (Skeena):**

1. Does the Department of National Health and Welfare 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?

Questions

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Yes. 61.

2. (a) $472.20 (b) Nil (c) $976.00 (d) $1,108.98 (e) $1,184.45* *Includes one press release during mail strike using telex at cost of $13.25.

3. (a) No. 7 bond white—40 M base white. (b) 244,000 sheets. $659.70.

4. Man-hours 1,464.

SALARY AND EXPENSE ALLOWANCE, C.N.R. CHAIRMAN

Question No. 903—**Mr. Godin:**

1. What was the salary of the Chairman of the CNR in 1937, 1947, 1957, 1967?

2. For the same years, what was the expense allowance of the office?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows:—1 and 2. Pursuant to section 8 (2) of the Canadian National Railways Act, being chapter 29 of the Statutes of Canada 1955, "...the chairman of the board of directors, if he is not the president, may, in addition, be paid by the national company a salary or other remuneration fixed by the governor in council." In each of the years listed the incumbent president was also chairman of the board of directors and therefore did not receive a salary nor was he paid any expense allowance solely as chairman.

The management of Canadian National Railways further advises that under the aforesaid act the direction and control of the affairs of the company are vested in its board of directors. The properly certified out of pocket expenses incurred by the president while engaged in and upon the affairs of the company are examined and passed upon each month by the board of directors and are subject to regular audit procedures. This is normal and accepted business practice and it is considered the travelling expenses of officers to be a matter concerning the internal affairs of the company.

CONSUMER COUNCIL—NON-REPRESENTATION OF N.B. AND P.E.I.

Question No. 904—**Mr. Macquarrie:**

1. What reason or reasons prompted the non-inclusion of consumers from the Provinces of Prince Edward Island and New Brunswick in the personnel of the Canadian Consumer Council?

[Mr. Howard (Skeena).]

2. Were any citizen of these provinces asked to serve on the Council?

3. Is the Department of Consumer and Corporate Affairs aware of any protest over the increasing cost of living on the part of residents of New Brunswick and Prince Edward Island?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. The membership of the council is intended to be representative of the country as a whole—both economically and geographically. However, in a council of 24 members, it is impossible to have all economic and geographic sectors represented at one time. For that reason, the term of membership is restricted to either one or two years. This permits changes in the membership to allow in future years for the representation of economic or geographic interests not present on the original council.

2. No.

3. The Department of Consumer and Corporate Affairs is aware of a general concern over the increasing cost of living on the part of all Canadians, inclusive of residents of New Brunswick and Prince Edward Island. An indication of that awareness is reflected in the decision to establish an independent body to study and report on problems of costs and prices as announced by the Minister of Consumer and Corporate Affairs during the budget debate.

ARREST OF ONE GINGRAS BY R.C.M.P., QUEBEC

Question No. 910—**Mr. Godin:**

1. Did the R.C.M.P., Quebec section, arrest a Mr. Gingras of the Quebec City area on July 15, 1968 and seize his automobile?

2. Was this arrest made following a telephone call and, if so, what is the name of the person who made this call?

3. What is the name of the officer who directed this operation?

4. If the said vehicle was seized, were there cans in it and did these cans contain alcohol?

5. If there was alcohol in the cans, what was its percentage-proof content, what was its value and where was it made?

6. Was the vehicle impounded by the R.C.M.P. and, if so, for how many days and at what location?

7. Was the vehicle returned to Mr. Gingras and, if so, on whose order and on what date did Mr. Gingras retake possession of such vehicle?

Hon. G. J. McIlraith (Solicitor General): 1. Mr. Gingras was not arrested on July 15, 1968, however, his vehicle was placed under detention under the Excise Act and was left in his custody.

2. The investigation was conducted as a result of a telephone call received from a person using a fictitious name.

3. Sergeant J. P. F. Plourde, R.C.M. Police, Quebec detachment.

4. A one gallon can containing alcohol was found in the vehicle.

5. Alcoholic content of the sample analysed was 82.7 per cent of proof spirit. The value and origin of the alcohol is not known.

6. The vehicle was not impounded.

7. The vehicle was released from detention on November 21, 1968 upon the directive dated November 1st, 1968 of the seizures division, Department of National Revenue.

ACCOMMODATION FOR STATE VISITORS

Question No. 913—**Mr. Schreyer:**

1. Has the Department of External Affairs leased on a long term basis or purchased a residential building for the purpose of accommodating state visitors?

2. If so, at what location and at what cost and from whom was the purchase made or the lease acquired?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and the Department of Public Works as follows: 1. No, but the Department of Public Works bought a house at 7 Rideau Gate which has been assigned to the Department of External Affairs for purposes of government hospitality.

2. The property was purchased for $152,000. from Thomas Travers Ahearn and the Royal Trust Company, executors of the estate of Norah Ahearn.

POST OFFICE CLOSINGS, BRITISH COLUMBIA

Question No. 918—**Mr. Harding:**

1. How many post offices are scheduled to be closed in the province of British Columbia?

2. How many post offices are scheduled to be closed in the constituency of Kootenay West, where are they located and what is the reason for the closure of each?

Hon. Eric W. Kierans (Postmaster General):
1. Two.

2. Nil.

Note: Further studies are being conducted with a view to closing additional post offices in British Columbia within the closing program criteria but no steps have actually been taken on any particular case as yet.

LIQUOR SEIZED IN QUEBEC BY R.C.M.P.

Question No. 935—**Mr. Godin:**

1. During the Quebec Liquor Board strike, what quantity of alcohol from other provinces was seized by the R.C.M.P. and handed over to the Quebec Provincial Police?

2. Is it necessary for the Province of Quebec to reimburse the federal government for such services?

Hon. G. J. McIlraith (Solicitor General):
1. 527 bottles of assorted liquor.

2. No.

PREPARATIONS FOR AGRICULTURAL CONFERENCE

Question No. 947—**Mr. Gauthier:**

1. Has the Canadian Agricultural Planning Commission which will prepare a report for the March 1969 conference been formed and, if so, who are the representatives from the (a) Department of Agriculture (b) provinces (c) farming associations (d) farming industries (e) consumers?

2. Has an organization committee for the March 1969 conference been formed and, if so, who are the representatives from the (a) Department of Agriculture (b) provinces (c) farming associations (d) farming industries (e) consumers?

Hon. H. A. Olson (Minister of Agriculture):
1. The federal task force on agriculture was named on September 22, 1967. It is made up of five experts who were nominated because of their personal knowledge and experience and they do not represent any group. They are: Dr. D. L. MacFarlane, Montreal, Chairman; Prof. D. C. Campbell, Toronto; Mr. P. Comtois, Sherbrooke; Dr. C. Gilson, Winnipeg; Dr. D. H. Thain, London. (a) (b) (c) (d) (e) do not apply.

2. The steering committee for the Canadian Agricultural Congress of March 1969 has been nominated. The members are: Dr. R. Poirier, assistant deputy minister of Canada Department of Agriculture as chairman; Dr. D. L. MacFarlane as representative of the federal task force on agriculture; Dr. Ernest Mercier as representative of the provincial departments of agriculture; Mr. W. E. Burton as a farm producer; Mr. H. K. Leckie as a representative of the food processing industry.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

APPLICATIONS UNDER AREA DEVELOPMENT AGENCY

Question No. 664—**Mr. Muir (Cape Breton-The Sydneys):**

1. Of the total number of applications approved by the federal government under the Area Development Agency, what is the breakdown by provinces both as to applications and as to the amount of the assistance provided?

2. Of the applications approved in Nova Scotia, what are the names of the firms or individuals who secured the assistance and what was the amount in each case?

3. How many applications received from Nova Scotian firms were rejected and how many applications are still pending and what are the names of the firms who have made application and have yet to have a decision rendered and in each instance how long has the firm been awaiting a decision on its application?

Return tabled.

NATIONAL PRODUCT STATISTICS

Question No. 861—**Mr. Caouette:**

For each of the last five years, what was the value of (a) consumer goods and services produced in Canada (b) all capital used (c) gross capital formation (d) imported goods and services (e) goods and services used (f) depreciation of capital (g) exported goods and services (h) the surpluses or deficits for each of the above headings?

Return tabled.

TRANSPORT DEPARTMENT CONTRACT WITH CARA OPERATIONS

Question No. 869—**Mr. Robinson:**

1. Does the Department of Transport have a contract(s) with CARA Operations Ltd, 55 Yonge St., Toronto, Ontario?

2. What are the terms of the contract(s) and how long has it (have they) been in effect?

3. When was the first contract entered into with the Department of Transport?

4. How many contracts have been entered into with CARA Operations Limited?

5. Has the Department of Transport received any complaints about the service provided since the contract(s) went into operation?

6. What has the Department of Transport done about these complaints?

7. Do any of the complaints relate to monopolies?

8. What steps does the Department take to ensure that complaints are properly dealt with?

9. Who audits the books of CARA and are copies of the auditors reports forwarded to the Department of Transport?

10. Has the Auditor General seen the audit reports?

[Mr. Olson.]

11. Has the Auditor General made any comments on them and, if he has, what are they?

12. Since the inception of the contract(s) has the Department of Transport had any difficulty in making an audit of the books of CARA Operations Limited in conformity with the standards generally accepted by the public accounting profession and/or the Auditor General of Canada?

13. What specifically were the problems involved?

14. Is the Department of Transport giving any consideration to changing the current provisions of the CARA contract(s) and opening the operations involved to tender by local businessmen across Canada?

Return tabled.

MILITARY PLANES USED FOR RELIEF FLIGHTS

Question No. 876—**Mr. Burton:**

1. How many military aircraft have been despatched from Canada since September 12, 1968 for use in transporting relief supplies to Nigeria or Biafra?

2. What is the make of each plane and when did each leave Canada?

3. What was the destination of each plane when it left Canada, what was the route travelled and when did each plane arrive at its destination?

4. What was the name and rank or status of each person aboard each plane enroute from Canada to destination?

5. Have any of the planes returned to Canada and, if so, on what date and from what location did each depart for Canada, what route was travelled and when did each arrive in Canada?

6. What was the name and rank or status of each person aboard each plane enroute the return trip to Canada?

7. What trips were made by each plane from the time of arrival at original destination to the present or to the time of departure for Canada?

8. What is the approximate tonnage of supplies delivered to Nigerian or Biafran authorities through use of the aircraft?

9. What has been the cost to Canada to date for (a) supplies delivered by aircraft (b) the use of the aircraft including costs since the aircraft left Canada (c) wages, salaries and expenses of personnel involved, and (d) other expenses?

Return tabled.

HOUSING AND FARM LOANS, BEAUCE CONSTITUENCY

Question No. 901—**Mr. Rodrigue:**

1. What was the total amount of loans approved by Central Mortgage and Housing Corporation in the federal constituency of Beauce during the past five years and how many homes were built with these loans?

2. What was the total amount of agricultural farm loans granted by the government for each of the years from 1962 to 1967 inclusive in the federal constituency of Beauce?

3. What was the average amount of these loans?

4. How many loans were refused during these years?

Return tabled.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I crave your indulgence as I rise again in respect of question No. 4 having to do with the pensions of retired civil servants. I realize I have asked this question a good many times before, but I am obligated to ask again when an answer might be forthcoming. On Wednesday of last week when I asked how many more times I must ask, the President of the Treasury Board said I would have to do it every day until the 15th. The 15th was yesterday. The answer is still not forthcoming. When will we have the answer?

INDIAN AFFAIRS

RESPONSIBILITY IN DEATH OF GIRL—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Frank Howard (Skeena): Mr. Speaker, I ask leave, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave), to move the adjournment of the house under standing order 26 for the purpose of discussing a matter of urgent public importance, namely the death of a young native Indian girl on highway No. 1 just west of Brandon, Manitoba, early this month and the guilt of the Department of Indian Affairs and Northern Development in respect of her death.

Mr. Speaker: The hon. member knows that he must address the Chair on the question of urgency of debate, and I think it would be helpful at least to the house, if not to the Chair, for the hon. member to make his contribution at this stage in respect of the question of urgency, which is the only matter that can be before the house at this moment.

Mr. Howard (Skeena): Yes, indeed, Mr. Speaker, I appreciate that is the main question and that the other one ancillary to it is the propriety of setting aside the other public business in order to have such a debate.

If I may be permitted perhaps I might briefly outline the circumstances leading to the death of this girl, who was 21 or 22 years of age. Perhaps this would help put the matter in perspective. What I intend to say involves what I consider to be guilt on the part of the Department of Indian Affairs and Northern Development, even though there was action on the part of a particular superintendent of an Indian agency, who was only putting into effect what I consider to be the generally casual, administratively inefficient and, worst of all, indifferent attitude which exists on the part of the department. The superintendent's actions only reflect that casualness and indifference.

The young girl in question was from the Oak River Indian reserve near Griswold, Manitoba. She had been committed to the Pine Grove correctional centre in Saskatchewan for the offence of assault committed in the province of Saskatchewan. The sentencing magistrate, having some compassion, made a notation on the warrant of committal to the effect that the young girl was from outside the province and that some arrangement should be made in respect of her before her release date.

The superintendent of the Pine Grove correctional centre, after receiving the warrant of committal, contacted the John Howard Society in Prince Albert, which in turn wrote to the Department of Indian Affairs and Northern Development at Brandon, Manitoba, pointing out in the letter the date of her release, the desire and need she had for educational upgrading and trades training, with a specific request to the agency to assist her with transportation from Moosomin, Saskatchewan to her home about 50 or 60 miles from Brandon, Manitoba. I suppose because the province of Saskatchewan is unable constitutionally to provide money for such a trip outside the jurisdiction of that province, the superintendent of the Indian agency in Brandon replied suggesting that with regard to transportation the young girl should contact some of her relatives on the Oak River reserve, requesting that they meet her at Moosomin. The superintendent said in his letter that most of the Indians on the Oak River reserve had automobiles and no doubt would meet her there.

When the young girl was released from the Pine Grove correctional centre at Prince Albert she had approximately $2 in her possession and fully believed that she would have to hitchhike from Moosomin, Saskatchewan to her home close to Griswold, Manitoba. She had no other means of transportation.

Unknown to her the Indian superintendent on his own, without notifying this young girl or the John Howard Society at Prince Albert, had made arrangements for relatives to pick her up at Moosomin, without indicating the time of the arrival of the bus or anything of that nature. The young girl left Prince Albert

by bus at about nine in the morning. The next that was heard about her was just after midnight, at 12.45 a.m. following the date of her release, when the R.C.M.P. at Brandon received a call from a farmer that a girl's body had been found on the highway about six miles west of Brandon. She had a blood alcohol content of 0.283, which indicates a state of intoxication.

One can only speculate as to what took place between the time she changed buses in Saskatoon and the time she was discovered lying dead on the highway just west of Saskatoon. The sad fact is that she is dead and this is difficult for her parents and relatives to accept, but the Department of Indian Affairs and Northern Development contributed to her death as the result of a number of things. First, by not making specific arrangements for her transportation home, even though they had been requested to do so.

• (3:00 p.m.)

Mr. Speaker: Order, please. The hon. member is obviously discussing the substance of his grievance. I would think that as soon as possible he should come to the procedural aspect of the matter which, as I mentioned a moment ago, is the one point that should be considered by the house at this moment.

Mr. Howard (Skeena): Mr. Speaker, I wanted very briefly to lay the groundwork of the circumstances in order to point out the urgency and the terribleness of the situation as a matter of urgency of debate, because of the very things which the department of Indian affairs in its indifference and casual approach to this matter did not do and should have done. This is symptomatic of a whole, general sort of lack of sincere interest of many groups in society, including the government. You will notice, Mr. Speaker, that I refrained from adding the cliché "just" in front of the word "society".

There are dozens and dozens of similar cases where such indifference exists toward the fundamental human rights that we expect for ourselves but fail to accord to the native Indian people of this nation. Because the case is symptomatic of something general and is reflective of many, many other instances, I suggest this is the only opportunity that will exist for some time in the future, if the announcements of government business mean anything to us, when we will have an opportunity to discuss this matter and go into a great deal more detail with respect to the involvement of the Indian affairs branch and the government in regard to this question.

If I could just sum up the matter of urgency, Mr. Speaker, I would say we are approaching that time of year when Christian generosity is uppermost in our minds, and no finer opportunity exists than for parliament to now take this question under advisement and discuss the humane values in our society and government attitude toward them.

Mr. Speaker: Having heard the hon. member, I am in full agreement that he may have a very legitimate grievance. But I have to advise the hon. member I am not convinced that he has satisfied the conditions required under the standing order, that is, that the business called for today should be set aside for the purpose of debating the subject matter raised by the hon. member.

The hon. member for Skeena has made the suggestion that the house should consider things which the department should have done and did not do. The hon. member says there is a grievance in this regard, and he may be quite right. But I would not think this is sufficient ground to adjourn the debates of the house for the purpose of considering the matter at this time. I can only hope, with the hon. member, that there will be an occasion at an early date when this matter might be raised again for consideration and debate by all hon. members.

LABOUR CONDITIONS

NEWFOUNDLAND—UNEMPLOYMENT RESULTING FROM FISH PLANT CLOSING

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries, but due to the minister's absence and the urgency of the question I shall direct it to the Prime Minister. In view of the announcement on Friday afternoon by Unilever that four Bird's Eye plants in Newfoundland will close their doors, what emergency measures is the government taking to prevent further shutdowns of fish plants in the Atlantic provinces?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Fisheries will be here tomorrow and I am sure he would be anxious to answer any questions.

Mr. Crouse: On a point of order, Mr. Speaker, I submit that the seriousness of this situation cannot be overlooked. Some 4,000

people will be unemployed. I would like some idea of what the Prime Minister proposes to do by way of emergency measures to ease this situation.

Mr. Trudeau: Mr. Speaker, the Prime Minister does not have solutions to all Canadian problems in his hip pockets. He has ministers who work on these problems, and the Minister of Fisheries is now doing precisely that.

Mr. Bell: Ministers are always away in a crisis.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact that the question is urgent, that the announcement was made on Friday that four fish plants in Newfoundland would be closing down, and that a delegation from Nova Scotia and Newfoundland is coming to Ottawa tomorrow to meet with the government, is the Prime Minister prepared to tell the house whether he will meet with that delegation because of the seriousness of the whole situation, which is such that the groundfish industry in the Atlantic provinces is on the verge of total collapse? In view of the serious situation, will the Prime Minister meet with that delegation to discuss what action the government will take to alleviate this problem?

Mr. Trudeau: Mr. Speaker, I do not know that the delegation asked to meet with me. I would suspect that they are going to meet the minister, who knows far more about this matter than I do.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. If the delegation does ask to meet the Prime Minister, will he be willing to receive them?

Mr. Speaker: Order, please. The question as asked is hypothetical.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Since approximately 4,000 people will be affected by the announcement on Friday of the closing of four fish plants in Newfoundland, what program of assistance is the minister planning to meet this very serious situation?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration: Mr. Speaker, the regional director of the department has been made aware of this emergent and very serious problem, and all the facilities and services of the department will be available to assist in any way possible.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, a supplementary question to the minister of regional development. I would like to ask the minister or the acting minister what steps the department has taken to meet the serious economic and social consequences threatened by the closing down of several major groundfish processing plants in the Atlantic provinces.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, I will refer this matter to the minister on his return tomorrow.

Mr. McGrath: Mr. Speaker, I rise on a point of order directed to the fact that the Minister of Fisheries is not present in the house today. This announcement was made in Newfoundland on Friday afternoon. It is an urgent situation. I think the Prime Minister, by allowing the Minister of Fisheries to be absent, has shown a certain amount of contempt for the whole situation.

Some hon. Members: Hear, hear.

[*Later:*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a question to the Parliamentary Secretary to the Minister of Fisheries. In view of the impending meeting between the minister and the Atlantic trades tomorrow, can the parliamentary secretary say whether invitations have been extended to the Atlantic members? If not, would consideration be given to that request?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I cannot say whether invitations have been extended but I will inquire of the minister and let the hon. member know.

GRAIN

RESPONSIBILITY OF FARMERS FOR SALES—STEPS TO IMPROVE DRYING FACILITIES

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Prime Minister. In view of the Prime Minister's reported statement in Winnipeg to the effect that the sale of wheat is the farmers' concern first and foremost, does this indicate that the wheat board is to be left on its own without

substantial backing from government departments in terms of credit and sales promotion?

Mr. Speaker: Order, please. I suggest to the hon. member that the question as asked is not proper and that he may wish to rephrase it in some way.

Mr. Gleave: Mr. Speaker, was the Prime Minister, in this statement as reported, announcing government policy toward the present situation that exists in western Canada?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, if you relate this question to the previous one, which was not allowed, the answer is certainly not.

Mr. Gleave: A supplementary question, Mr. Speaker. Would the Prime Minister have the appropriate departments address their attention to the situation which is currently reported to exist on the west coast, namely that ships are waiting at this moment for dry grain to load for Japan?

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. Now that the Prime Minister has breathed the western air and is able to understand the strength of the feeling toward government inaction regarding the wheat situation, would he advise what is going to be done to meet the situation in western Canada, where at present rates of drying only 106 million bushels or about one third of the wet and damp wheat will be dried by May 1? What is the government going to do? What action does it have in mind? We tried to get this information from the Minister of Agriculture without success, but now the Prime Minister has been out there can he tell us what hope there is that 200 million bushels will not be lost through failure to take action now?

Mr. Trudeau: Mr. Speaker, it seems to me that this question has been asked many times in the past couple of weeks, and each time it has been answered by the Minister of Trade and Commerce, the Minister of Agriculture, or the Minister without Portfolio from Saskatchewan. The only new thing in the matter is that I have been to Manitoba where I was given a very warm reception.

Mr. Diefenbaker: Mr. Speaker, surely the Prime Minister does not intend to deal with a matter like this in such a jesting and frivolous way. What is he going to do; that is the question.

[Mr. Gleave.]

Mr. Speaker: Order, please.

Mr. Diefenbaker: Ministers really should be here to answer questions. This is frightful.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister whether, in view of the impression he left that it was up to the farmers to sell the grain, it is now his policy to abolish a government agency, namely the wheat board, whose function it is to sell grain.

Mr. Trudeau: No, Mr. Speaker. I made it quite clear that the government should assist in helping the wheat board in every way it can. I was just indicating that the farmers had a little bit to do with it. The alternative would be, of course, absolute communism where the state would own all the farms and the farmers would be paid salaries by the state.

Some hon. Members: Oh, oh.

Mr. Trudeau: This is in substance some of the things I had to say, which were applauded in Winnipeg.

Mr. Woolliams: I have a supplementary question, Mr. Speaker. In view of the Prime Minister's reference to communism are we to take it that he still believes, as he stated during the election, that those farms that are not efficient should be taken over by the state, as is done in the communist countries?

Mr. Speaker: Order, please.

Mr. Ed Schreyer (Selkirk): I have a supplementary question, Mr. Speaker. I should like the Prime Minister, in view of the statement he made in Winnipeg last Friday that first and foremost it was the responsibility of the farmers to market wheat, to indicate whether he will make a statement to the house indicating in what way the farmers are in a position to penetrate international wheat markets by private means.

Mr. Trudeau: Mr. Speaker, I was indicating that my understanding is that in the past wheat farmers, through co-operatives, joint ventures and the wheat board itself, have taken the position that they were essentially private individuals operating in co-operation with each other on the wheat market, and that they did not want the state to take over their farms and run them.

Mr. George Muir (Lisgar): I have a supplementary question for the Prime Minister. How does he relate that to the promise he made to the western farmers during the election campaign that the government would sell one billion three hundred million bushels of wheat over the next three years?

Mr. Speaker: Order, please. The hon. member's question is a point of debate.

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question along the same line. I wonder whether the Prime Minister is withdrawing the promise he made that the government would sell one billion three hundred million bushels of wheat?

[*Later:*]

Mr. Korchinski: Mr. Speaker, I should like to address a question to the Prime Minister. In view of the possibility that the house may recess for a period within the next few days and, more particularly, since the right hon. gentleman has now renounced any personal responsibility for the sale of grain, will he now suspend the roster system in order that the other ministers may be present in the house for the duration of this session to answer vital questions? May I have an answer, Mr. Speaker?

NATIONAL DEFENCE

STUDY OF POSSIBLE REDUCTION IN ARMED FORCES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of National Defence. Have studies been made or are studies being made in the Department of National Defence to reduce the Canadian armed forces to one third their present strength, and to reduce the role of the forces to the single one of peace keeping?

Hon. Léo Cadieux (Minister of National Defence): I qualified this assumption last week as being wildly speculative.

Mr. Lambert (Edmonton West): I have a supplementary question. Has consideration at the same time been given in whole or in part to the reduction of long term contracts for the D.D.H. destroyers, the CF-5 and other equipment to upgrade and modernize Canada's armed forces?

Mr. Cadieux (Labelle): No, Mr. Speaker.

Mr. Lambert (Edmonton West): I have a further supplementary question. Is it not true that all the minister indicated was that this problem had not been put before the cabinet or before a cabinet committee, and was this not the only part that was speculative?

Mr. Cadieux (Labelle): Again no, Mr. Speaker.

INDIAN AFFAIRS

REQUEST FOR EXEMPTION FROM AUSTERITY PROGRAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question arises from the tragic incident referred to by the hon. member for Skeena (Mr. Howard). I wanted to address it to the Minister of Indian Affairs and Northern Development or to the Minister without Portfolio, but in their absence I will address it to the right hon. Prime Minister. Inasmuch as the financial inability of the local Indian agency to help in this incident arose from the government's austerity program and the lack of funds for expenditures of this kind, would the Prime Minister assure the house that the austerity program as it applies to the special needs of our Indian citizens might be lifted, as it has been recently on health matters according to the statement made outside the house by the Minister of National Health and Welfare?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the purpose of our austerity program is to enable us better to address ourselves to the problems of all the underprivileged in Canada; and of course generally speaking the Indians are amongst those underprivileged. That is why we have a program of austerity.

Mr. Dinsdale: I have a supplementary question. I do not think the right hon. Prime Minister quite answered my question. Will the austerity program, as it has been applied to our Indian citizens, be lifted to meet the obvious special problems of this highly underprivileged group of Canadians?

Mr. Trudeau: I think it is a gross oversimplification of the so-called Indian problem to assume that it can be solved just by pouring more money into that area. We take a much more profound view of that problem.

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question Mr. Speaker, which stems from the original

attempt by the hon. member for Skeena to secure an adjournment of the house, and from the recital he made of the facts which are, to say the least, very heartrending and show a sordidness of attitude that ought not to exist. Under the circumstances would the Prime Minister be ready to have a full investigation made of this matter, not a perfunctory one or one carried out by department officials but rather one done outside the department? And if what is stated is correct, would some compensation be made to the family of this girl to show that we do in fact regard our Indian people as worthy of first consideration in the house?

Mr. Trudeau: Yes, Mr. Speaker, I do intend to ascertain the facts in this case, and I will ask the minister to report to me. The proper way to go about it is first to ascertain the facts from the minister through his department. If I am not satisfied or if the house is not satisfied with the answers, we can then consider the next step.

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration arising out of questions that were asked of the right hon. Prime Minister on Friday when the minister was not in the house. In view of the increasing unemployment across Canada, and particularly in the disadvantaged areas of Canada, would the minister inform the house what plans he and his department have to deal with the increasing unemployment this winter in those areas in particular?

Mr. Speaker: Order, please. It seems to me the hon. member is asking now that the minister or the Prime Minister make a statement which is very general. It is perhaps a type of statement which should normally be made on motions.

Mr. Lewis: May I ask a more specific question, then. Will the minister consider or is he considering changes in the law and in the regulations regarding training so as to enable the younger people coming into the work force who are not absorbed in the labour market to benefit from training allowances which are now available to those who have been in the labour force for three years since they left school?

[Mr. Diefenbaker.]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the matter to which the hon. member refers is complicated and has been the subject of discussions with the provinces. We believe this rule to be in the best interests of the group we are principally trying to help, namely unemployed workers and adults in the labour force who in the past have had relatively little opportunity to improve their education and their chances of employment. It is principally for that reason that we are maintaining the three year rule, and also because of the provincial responsibility for education. However, may I say in answer to the direct question that it is not proposed at the present time to amend the regulations or the law in this respect.

Mr. Lewis: A further supplementary question. Would the minister consider making a statement to this house in the near future—some time in the next day or two—with regard to any program that he and his department have worked out or are in the process of working out to deal with increasing unemployment this winter?

Mr. MacEachen: Mr. Speaker, I will be glad to consider the prospect of a statement, but I would not want my hon. friend to conclude that there will be one.

PUBLIC SERVICE

REPORTED STATEMENT BY JUSTICE MINISTER ON BILINGUALISM

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the Prime Minister. Was the Minister of Justice voicing government policy when he said at a luncheon meeting in Ottawa on Friday that expecting aspirants for managerial and executive positions in the civil service to be bilingual by 1970 was totally unrealistic and that 1975, not 1970, was a more realistic deadline?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I think the Minister of Justice was forecasting the course of events as it appears likely to him. This cannot be made the object of a policy, I would say, but the Minister of Justice was making a valuable contribution to our estimate of the future.

Mr. Hees: A supplementary question, Mr. Speaker. Would the Prime Minister talk to his colleagues and come out with a definite policy? This is a matter of great concern to civil

servants in Ottawa and across the country, and it is important that they know what this date is going to be.

Mr. Trudeau: Mr. Speaker, I take it that the Minister of Justice was basing his estimate on the rapidity with which people are learning the other official language, whether it be French or English. He may assume that 1975 is a more realistic assessment of the ability of some people to learn the other language. Other people may think the period will be shorter. I would not care to speculate. Whether the forecast errs on the optimistic or the pessimistic side does not change the policy. The policy was stated in the minister's speech, and of course as he stated it, it is still government policy.

IMMIGRATION

STATUS OF POLISH SEAMEN DETAINED AT HALIFAX

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is to the Minister of Manpower and Immigration. First of all may I ask him whether he would consider restoring to the nine Polish seamen presently in custody in Halifax freedom of movement so they might practice their religion, have normal exercise and, if possible, attend the English classes which are being given the five Czechoslovakians who are presently in custody in Halifax?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I will be glad to consider the first part of the question.

Mr. Forrestall: Mr. Speaker, may I put a related question. I wonder whether the minister, further to his comments on Friday of last week regarding the status of these men at the present time and the possibility of there being a retrial, has seen the sworn statutory declarations by these Polish nationals to the effect that their deportation would in fact mean their being committed to imprisonment and perhaps forced to serve in the Polish army in Czechoslovakia.

Mr. MacEachen: No, Mr. Speaker, I have not seen the statutory declarations, because I would conclude that they are a matter for the immigration appeal board, which under the law carries the responsibility at this moment of deciding the outcome of the deportation order.

Mr. Forrestall: A further supplementary question, Mr. Speaker. I wonder whether the minister would acknowledge that he indeed is the respondent in this matter and whether, in light of that, he does not in fact have access to these declarations. If he has not, I have them here on my desk and I would be delighted to send them over to him and have him review them so that justice might be done for these nine men.

Mr. MacEachen: Mr. Speaker, the hon. member misunderstands the situation. Any hon. member may have the documents in his possession if he wishes, but under the law the decision in this case is for the immigration appeal board. I would be quite happy to examine the documents if such examination could lead to any possible result; but as it is, under the law the minister has no power whatsoever to exercise discretion in this matter.

OFFICIAL LANGUAGES

PROPOSED DELAY IN INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister. May I ask the right hon. gentleman whether he would agree to hold up the federal languages bill until a similar bill is introduced in the legislature of the province of Quebec?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I do not think it is customary to consider that federal jurisdiction can be exercised only when provinces take certain other steps.

Mr. Muir (Cape Breton-The Sydneys): A supplementary question. I thank the Prime Minister for his answer, and may I ask him which provinces have asked for postponement of the federal languages bill?

Mr. Trudeau: Mr. Speaker, this came in the correspondence that I was exchanging with the provincial premiers in regard to the federal-provincial constitutional conference. Since this correspondence is not public I should not like to identify who asked that particular question.

Inquiries of the Ministry

ROYAL CANADIAN MOUNTED POLICE

MONTREAL—PARTICIPATION IN INVESTIGATION OF BOMBINGS

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de Grâce): Mr. Speaker, I have a question for the Solicitor General. Would the Solicitor General advise the house whether the R.C.M.P. is taking part in the investigations relating to the recent series of bombings in Montreal; and would he also advise the house whether they are taking any preventive measures against more of these bombings, which are causing a very serious threat in Montreal?

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. The answer to both questions is yes.

BUSINESS OF THE HOUSE

REQUEST FOR ANNOUNCEMENT OF CHRISTMAS ADJOURNMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I ask the Prime Minister a question that is in the minds of members generally, since this house has now sat for the 65th day. What date has he in mind for the adjournment for the Christmas recess? I ask this so that members can make their arrangements. Those of us who come from a long distance are naturally most anxious to have this information.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps I would be able to answer this with a little more precision after I have an opportunity of consulting with the house leaders opposite in order to program the business for the balance of this week and get through the remaining three measures for this part of the session.

Mr. Diefenbaker: A supplementary question. What does the minister mean when he refers to three measures going through? Is the debate now before the house supposed to be concluded before we will be permitted to have an adjournment? Is that what it means? Surely there is not such intimidation.

Mr. Macdonald (Rosedale): Mr. Speaker, it would certainly be desirable, having had a full discussion of this matter, to bring the two motions on procedure to a decision as well, of course, as the anti-dumping bill. However, I would be prepared to discuss this matter with the house leaders opposite to see what progress is possible on a voluntary basis.

[Mr. Trudeau.]

ADMINISTRATION OF JUSTICE

REQUEST FOR POLICY STATEMENT ON CRIMINAL RECORDS AND PARDONS

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the Solicitor General. In view of the fact that the Solicitor General was deprived of an opportunity to make a government statement before the standing committee on justice and legal affairs on the expunction of criminal records and greater use of the pardon, would the Solicitor General make such a statement on motions at the earliest date?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I have considered the matter. I too was troubled at having lost the opportunity to make the statement, and I proposed to circulate it to the members of the justice committee. If that is not satisfactory I will consider his suggestion.

Mr. Gilbert: When?

Mr. McIlraith: Tomorrow, perhaps.

GRAIN

REQUEST FOR POLICY STATEMENT ON DRYING PROBLEM

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to direct a question to the Prime Minister. In light of the emergency one day debate held in this house one week ago last Thursday on the estimates of the Department of Agriculture, and more specifically on the problem of drying the huge volume of damp and tough grain, would the Prime Minister have the Minister of Agriculture give the house a full statement on motions before the Christmas recess as to government policy to meet this very serious situation?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will ask the minister to consider that very seriously.

CANADIAN BROADCASTING CORPORATION

PROGRAM RESPECTING POLLUTION PROBLEM AT DUNNVILLE, ONT.

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State. His parliamentary secretary promised a statement on the first day of

the week about the Dunnville incident and the lack of response by the Canadian Broadcasting Corporation. Would the minister care to comment?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): From what I read in the official report of the House of Commons, Mr. Speaker, I find that the hon. member for Fundy-Royal is exaggerating a little when he says that the parliamentary secretary promised a statement about that matter. The only commitment he made was to bring it to my attention when I returned. That is a problem about which the C.B.C. is willing to answer any specific questions that might be asked; but, for the time being, the corporation does not wish to issue a detailed statement in which it would refer point by point to all the charges made against it or to all the questions put to it. It would prefer to make that statement before the committee on broadcasting, films and assistance to the arts when it resumes its hearings. However, if specific questions are asked, I will submit them myself to the corporation and I will be in a position to supply the hon. member with the replies that will be given me.

[*English*]

Mr. Fairweather: A supplementary question, Mr. Speaker. I do not think the house wanted a grand declaration from anybody. The house would like to know whether the corporation will give a simple and courteous answer to the chairman of the investigatory body which asked the corporation to respond. Could this be investigated?

[*Translation*]

Mr. Pelletier: Mr. Speaker, in this connection I asked the corporation what reply had been given to the committee of inquiry. Just a few minutes before the opening of the sitting today I received from the corporation copy of its letter dated April 10, 1968 to Mr. Hall. As I have not had the opportunity of getting in touch with the president of the corporation to find out whether or not this letter may be tabled in the house, all I can say to the member is that I have it in my possession.

[*English*]

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Since it may be some considerable time before the estimates are brought down and investigated by the standing committee, would the minister consider discussing with his colleague the government house leader the possibility of having specific terms of reference drawn up with regard to this issue and the matter referred by that means to the standing committee?

[*Translation*]

Mr. Pelletier: I shall be pleased to discuss the matter with the house leader, Mr. Speaker.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. In any consultations with the C.B.C. has the Secretary of State been assured by the corporation that this agency intends to put on a supplementary program in order to dispel some of the inaccuracies of the original program?

[*Translation*]

Mr. Pelletier: No, I did not discuss the matter with the authorities of the C.B.C., Mr. Speaker. Therefore, I did not receive any such assurance from the corporation.

[*English*]

Mr. John Gilbert (Broadview): Mr. Speaker, I have a supplementary question to address to the Minister of Energy, Mines and Resources. Would he care to make a statement about federal responsibility in the Dunnville pollution problem? Would he also care to set forth federal standards with regard to pollution control that are necessary at this time?

EXTERNAL AFFAIRS

NIGERIA—SUGGESTED APPEAL FOR CHRISTMAS TRUCE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct a question to the Prime Minister. Will the right hon. gentleman or the government consider joining with others in an appeal for a Christmas truce in the Nigeria-Biafra hostilities, which might lead to a cease fire and possible negotiations?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, our position on intervention in Nigeria, and particularly in a cease fire, has been stated earlier and it has not changed. Since the hon. member links the question of a Christmas truce to a cease fire, the answer is no.

Inquiries of the Ministry

GREECE—U.S. PARTICIPATION IN MILITARY COUP

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. Mr. Papandreou, a former senior member of the Greek democratic government which existed until recently, made a statement over the week end elsewhere, and in Ottawa today, to the effect that the United States was instrumental in the military coup which took place in Greece and in maintaining the present régime. Does the Prime Minister feel these statements should in any way influence the government in reaching a decision on the question of Canada's membership in NATO?

Mr. Speaker: Order. The hon. member's question is too wide in scope to be asked at this time.

BILINGUALISM AND BICULTURALISM

POLICE INVESTIGATION INTO LEAKS OF COMMISSION REPORTS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is addressed to the Solicitor General. It arises from questions asked of the Prime Minister on Friday last concerning the interrogation of Miss Gagnon of *La Presse* and the use of search warrants in the case of her relatives and friends. Will the Solicitor General say whether, in the matter of obtaining the search warrants, any indication was given by the Royal Canadian Mounted Police that criminal charges were imminent? Was there any connection between Miss Gagnon's relatives and friends and the alleged offence? In this connection will the Solicitor General obtain a copy of the supporting statements made by the R.C.M.P. on behalf of the government of Canada in obtaining these search warrants?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I do not have the evidence used to obtain the search warrants with me, but the search warrants were obtained in the usual way from a judge in connection with the charge or prospective charges to be laid under the Criminal Code. I have the name of the judge and I can perhaps find out what information is available from court records and bring it before the house, if the hon. member wishes.

[Mr. Trudeau.]

Mr. Alexander: A supplementary question, Mr. Speaker. In view of the categorical statement by the Prime Minister that *La Presse* has published documents which appear to be obviously stolen from the royal commission on bilingualism and biculturalism, may I ask whether it is the crown's position that in publishing the material referred to *La Presse* has committed an offence? Is the investigation proceeding, therefore, with a view to establishing a precedent in which a newspaper is to be charged with receiving stolen goods?

Mr. Speaker: Order, please. It seems to me the hon. member is now arguing the case rather than asking a question.

Mr. Alexander: Mr. Speaker, may I then ask a related question with respect to this matter. Will the minister advise whether under his responsibility for the R.C.M.P. he is in direct touch with this investigation in all its stages and whether the police are reporting to him or to his colleague, the Secretary of State, in respect of the documents said to have been stolen from the royal commission?

Mr. McIlraith: Mr. Speaker, I should correct the inference left by the hon. member in the question which was disallowed. The Prime Minister did not indicate in his remarks that this document was stolen by *La Presse*. He was very clear about it. I read the remarks rather carefully, anticipating the question, and there is no such inference to be drawn from those remarks. It must be obvious to all hon. members opposite that documents of the royal commission were obtained somehow and published before being transmitted to the government, their owner.

The answer to the second question, to whom does the R.C.M.P. answer in pursuing this investigation, is the Solicitor General. He is responsible to this house for them and they answer to him. No other minister is directing the inquiry.

Mr. Alexander: A further supplementary question, Mr. Speaker. I am extremely sorry that the minister had the impression as a result of my remarks that I believed the Prime Minister had indicated that *La Presse* was responsible for the theft. I am asking whether an investigation has been going on whereby a member of *La Presse*—

Mr. Speaker: Order, please. Would the hon. member kindly ask his supplementary question.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Can the

minister indicate the nature of the charge or the prospective charge in respect of which the search warrant was issued?

Mr. McIlraith: I hesitate to do that off the cuff, Mr. Speaker, but it would be section 103 of the Criminal Code, I think.

CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION INTO PRICE OF TOYS

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I wish to direct my question to the Prime Minister. In view of the outrageous prices being charged for Christmas toys this season, would the Prime Minister consider requesting the Minister of Consumer and Corporate Affairs to conduct an immediate investigation into this serious problem?

Mr. Speaker: I wonder whether the hon. member would not like to return at ten o'clock this evening to discuss this very timely question.

Mr. Burton: Since millions of dollars are spent in this area and there are only a few shopping days left before Christmas, and since the influence of advertising helps create additional pressures on our society, does the minister not think this problem should be given immediate and serious consideration?

Mr. Speaker: Order, please.

SPORTS

HOCKEY—GAMES BETWEEN RUSSIAN AND CANADIAN PROFESSIONAL TEAMS

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker my question is addressed to the Prime Minister. In view of the fact that all Canadians take great pride in Canada's participation in international hockey; since it would appear that we are outclassed at present by the purely professional team operated by the Russians, and since that team has now challenged the Maple Leafs and the Canadiens, would the right hon. gentleman speak to Senator Molson and Stafford Smythe and use his influence to see whether the Russian team cannot be accommodated if it comes to Canada to play our top teams?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I know the Minister of National Health and Welfare has this matter under inquiry and is giving his attention to the fact that the Canadian team was defeated. As to the concrete and obviously constructive proposal by the hon. gentleman, I will think it over, but I must tell him I am not much more knowledgeable about hockey than I am about football.

Some hon. Members: Oh, oh.

Mr. Hees: I am sure the Prime Minister will agree that he has a gift for persuading people, and I think he could persuade those two gentlemen to make their teams available for one night if the Russians can come to Canada.

An hon. Member: We will get parliament to make up the rules.

Mr. Hees: Oh, no.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, since it is being acknowledged that our hockey team did not do so well against the Russians, would the Prime Minister not like to take notice of the tremendous acclaim being accorded in the Soviet union to the Royal Winnipeg Ballet?

Some hon. Members: Hear, hear.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, a supplementary question to the Minister of National Health and Welfare. Now that the minister has announced outside the house a grant to the national hockey team, and in view of growing concern over the effectiveness of Canada's participation in international competition, would the minister make a statement in the house concerning this vitally important matter?

Hon. John. C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will take that suggestion under consideration.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Rod Thomson (Battleford-Kindersley): I have a question for the Minister of Justice, Mr. Speaker. In view of the lack of sympathy and understanding of the Indian problem as illustrated by the case mentioned by my hon. friend from Skeena—

Mr. Speaker: Order, please. Would the hon. member resume his seat? I have to remind him that as far as possible questions should not contain statements or allegations. The

hon. member should ask his question directly rather than include allegations which make it argumentative.

Mr. Thomson (Battleford-Kindersley): Would the Minister of Justice consider moving the northern desk of his department to the Northwest Territories, so that his officials might be nearer those with special problems, such as Indians and Eskimos?

Mr. Speaker: I would think that question should be placed on the order paper.

COMMONWEALTH CONFERENCE

REQUEST FOR CONSIDERATION OF DISCRIMINATORY LEGISLATION IN KENYA

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister. In view of discriminatory anti-Asiatic legislation already passed in Kenya and further legislation which has been announced there against Asiatic ownership of business, will the Prime Minister consider raising the matter at the forthcoming prime ministers' conference in order that the Commonwealth may not appear to be supporting reverse apartheid?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I missed the final words of that question but I think I got the gist of it. The agenda for the prime ministers' conference has been set up and I have no information that it includes this particular item.

Mr. Muir (Cape Breton-The Sydneys): Will there not be occasions upon which he can speak with his confrères and colleagues and can bring up this matter, one which I believe to be most important?

Mr. Trudeau: Oh, yes, I am sure there will be all kinds of occasions in London when we can meet less formally than around the conference table. I will get a transcript of the question and see whether I should put it to some of the people there.

INDIAN AFFAIRS

HALIFAX—NEGOTIATIONS RESPECTING MEDICAL CARE

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Can he advise the house whether negotiations between his department and the county of Halifax with regard to medical care for Indians have progressed to the point where it will not be necessary for the county to take precipitate action affecting these patients by the end of the current year, two weeks from today?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, we are working on this problem with the Halifax people and hope to have a solution by the end of the month. I so advised the hon. member by mail today.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the right hon. gentleman's desire to extend Christmas happiness to as many people as possible, would he not like to make it clear before Christmas that some time early in 1969 something will be done about the pensions of superannuated civil servants? I think the Prime Minister would like to answer and I would like to hear his answer, Mr. Speaker.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I was not all that anxious. The idea in my mind was to tell the hon. member that this question has been answered many times in the house, and that the Minister of Finance has answered for the government on this particular matter.

Mr. Knowles (Winnipeg North Centre): Are the recommendations which were made by the special joint committee in the last parliament still being considered by the government?

Mr. Trudeau: There has been no change in government policy on this matter, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

• (3:50 p.m.)

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed, from Friday, December 13, consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday December 6, be

concurred in, and the amendment thereto of Mr. Stanfield (p. 3762).

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I wonder what more the Prime Minister of Canada (Mr. Trudeau) wants. For years the cry has gone out through the land that without majority government action is impossible. Now the Prime Minister has his majority. I do not propose to question some of the methods used by his party to get it, but the point is that the minority status argument can no longer be trotted out as a convenient excuse for failure to respond to some of the pressing social issues of the day.

What more, I ask, does the Prime Minister want? Mr. Speaker, times change. How revealing it would have been if the proposal contained in 16-A for closure in advance had been made at the time when the Prime Minister and the Secretary of State (Mr. Pelletier) were crusading essayists and editorial writers. To use the phrase of Dr. Eugene Forsey, these two gentlemen would have "torn the purple from the clouds" if such a proposal had been made in those good, halcyon days when human rights and liberties were catechism to them instead of the catchwords this plan makes them now.

We have had ample warning, though, if we had but heeded it. The Minister of Transport (Mr. Hellyer) gave us a little evidence the other day. He gave us a sample of what the days ahead would be like when he talked about the throughput of the St. Lawrence Seaway. The President of the Privy Council (Mr. Macdonald) will become the new minister of throughput. He will be the chief programmer for the government. Under this proposal the royal prerogative will settle on a new prince, the Prime Minister. Ancient despots, if they watch us from their present stations, should envy the power of this man. One-time admirers should question his abdication of the principles which motivated his earlier and crusading days.

We seek efficiency, not impotence. We need to generate vital change. We need to speak and legislate when the speaking is done. Radical urgencies of the young, the poor, the Indians, about whom we heard just a few minutes ago, crowd upon us. But technology is not enough, as we have been compellingly reminded in a new book called "The Revolution Of Hope: Toward A Humanized Technology" by Erich Fromm. A reviewer reminds us that "For him that is joined to all the living there is hope." For any of you who do not recognize it, that is an epigram from Ecclesiastes.

The alternatives that face man in these apocalyptic times lead either to a mechanized society in which man is caught like a helpless cog, or to a renaissance of humanism and hope, a society that puts technique not first but second, as a servant of human well-being. The absence of this philosophy in the government's proposal is what disturbs me most and troubles me deeply because of its illiberalism. It makes me wonder not about the mystery, because they are bound by this strange out of date doctrine of be-all and end-all solidarity, but why the Liberal backbenchers are saying they are ready to support these illiberal proposals.

Perhaps the most ominous development, as Dr. Fromm puts it, is that we seem to have lost control over our system and are being carried at an accelerating pace toward destruction. How did it happen? How at the very conquest of nature did man become the captive of his own creation? Fromm's answer is the same one that Emerson gave over a century ago: "Things are in the saddle, and ride mankind." Fromm puts it this way:

> In the one-sided emphasis on technique and material consumption, man lost touch with himself, with life.

In a review of this book Ashley Montagu says:

> People are constantly asking what they can do—

And all hon. members have responded to this frustrated cry. We heard it eloquently put just the other day in the frustration of the hon. member—I apologize to him—from Toronto, who asked about the response of the government to the problem faced by certain Polish seamen. We heard it a few minutes ago when this parliament, the agencies of parliament and the great departments of government are so unresponsive that they cannot deal with a girl leaving jail and needing transport to her home.

These frustrations and the lack of responses are the reason that all over the western world parliaments and the institutions that go with parliament are under question. And I think this is healthy. The debate is healthy if we see some resiliency in the government and particularly some flexibility.

> People are constantly asking what they can do, meaning that they can in fact do nothing. That psychosis is much worse than the apathy, the passivity, on which Fromm comments so ably, for it represents not a negative uninvolvement but a positive disengagement from the human situation.

Motion for Concurrence in Report

This institution has been disengaged from the human situation for so long and instead has been dealing with its little petty problems. I will not go into them because the memory of them makes me want to be sick. But it is this disengagement that is the problem, not whether the government house leader is going to follow this new magical formula that he has proposed when he meets with himself in his office to program the business. Parliament and its members must be agents or catalysts to end this deadening passivity.

I am going to share with the house a verse by a contemporary New Brunswick poet, Alden Nowlan. In a book called "Bread, Wine and Salt" he has a poem entitled "The Nation's Capital." It is so apt it makes me shudder.

> The first thing you learn here
> is that the country
> bears the same relationship
> to the government
> that outer space
> bears to the earth

He goes on to depict a member of parliament having a maritini in the Chateau Laurier:

> He must measure his sips
> and time them perfectly
> or there will be couriers
> from the Hill:
> "The government may fall."
> Ah, Mackenzie King,
> I think I understand you:
> how easy to commune with the dead
> in a city wholly divorced from reality.

How easy for that former prime minister to commune from a parliament so out of touch with reality! If we need any other witnesses we have them. Jacques Maritain, the great and modern Catholic philosopher, whote a book called "Man And The State." In it he tried to re-establish the principles of democracy in a modern context. He bespeaks a redefining of the very essence of the democratic idea. He writes:

> Democracy can be awkward, clumsy, defective, open to the risk of betraying itself by yielding to instincts of cowardice, or of oppressive violence—

But he goes on:

> Yet the strength itself of a democratic body politic supposes justice, because it uses human energies as energies of free men, not of slaves. Nay more: a supreme effort of all the energies of freedom, in their own spiritual realm, is needed to compensate for the momentary increase in physical strength that is given Machiavellian powers by their determination to use any means whatsoever.

[Mr. Fairweather.]

I doubt that he had met the President of the Privy Council when he wrote those words. And such a supreme effort cannot arise if the body politic ignores moral values and standards. In reality strength is supremely strong only if not strength but justice is the supreme standard.

> To try to reduce democracy to technology would be to try to deprive it of its very blood.

• (4:00 p.m.)

The proposed rule change in 16-A is illiberal. It is disheartening to see it stamped with the imprimatur of those who profess to be Liberals. It is unnecessary because the twenty-eighth parliament, if I am any judge of its mood, is one of co-operation and reasonableness.

In the speeches until now several large red herrings have been drawn across this motion. One red herring was that the various bills to assist farmers occupied too much of the time of the house. However, if anyone wanted to take the trouble to analyse the problem he would see that the three bills were expected to carry too much of the load in responding to the frustration of western Canada farmers because of a wet summer and a damp wheat crop. Those who do not believe me should reread the reports of those debates. The three farm bills were not particularly in question, although the high cost of money obviously was a matter of concern. It was more the fact that these bills gave some hon. members an opportunity to be representative. Once in a while we are representative, and those debates were representative in all their manifestations just as the debate was representative on the day that hon. members from Newfoundland in their representative capacity took a few hours of the time of the house to discuss a matter which to them was of very serious importance. Parliament must wait for this. The computer does not wait for it. Nor does the programmer in the Confederation building. If the computer is putting out at its full capacity it does not wait for the Newfoundland Bullet nor for wet wheat, but we make parliament wait for these things because we are here partly as representatives.

Another aspect, of course, is one that I think we must agree the Prime Minister carries out with very great effect. I refer to the educative role. The unhappy part about it is that he does most of his educating elsewhere. But we also have an educative role. That is the reason it is important that the President of the Privy Council does not spend all his

time pressing buttons in respect of his programming because education sometimes takes a little time.

The proposal of the procedure committee to abolish the committee of supply I suggest will, for various reasons, cause trouble. The principle reason, of course, is that the standing committees themselves are in no way equipped to deal with the business that will come before them. Let us not fool ourselves about this. This has been seen very clearly in respect of the British experience. The British did this a couple of years ago.

We had a Couchiching conference on the reform of parliament. Mr. Richard Crossman attended that conference. If you hear people who are in the opposition speak about this, and I suppose I obviously fall into that category, it is wonderful what they say they will do when they are in office. Mr. Crossman was a prime example. He said that the rules and proceedings of the British house would undergo such a fundamental change when he took office that one would not know the place. Well they abolished committee of supply and they are now in deep trouble in Great Britain. Mr. Stephen Fay, as reported in the Montreal *Star* of Saturday December 14, 1968, says:

> The most radical of the changes introduced by Crossman (and one uses radical in a relative sense relating only to what happened before in parliament, not to general social change) was to take the major part of the debate on the finance bill off the floor of the House, and have the time-consuming committee stage heard by a committee of 50 members, instead of a committee of the whole of the House of Commons. The finance bill's committee stage took five weeks of the House of Commons' time when its time was growing scarcer.
>
> The object of the reform was to allow the house to debate more topics, and this year it did. But so great was the pressure on parliament created by new legislation, improvements were marginal. Now the Conservative party is demanding that the committee stage of the finance bill be returned to the floor of the House of Commons. The fact is that the proceedings of the small finance bill committee went virtually unreported.

Here is another responsibility. Not only will there be a crowding in on members of parliament but there will also be a crowding in on the press gallery. Unless adequate steps are taken to have full and careful reporting of the standing committees the proper type of public response to these committees will not be forthcoming.

> Iain MacLeod, the shadow chancellor of the exchequer, received too little publicity for his swinging attacks on government policy. The government is, of course, delighted by the experiment; the opposition, for obvious reasons, is less enamoured.
>
> The arguments are delicately balanced. The critics claim that backbenchers have no opportunity to put small amendments forward which can alter minutely, but improve, the massive bulk of the finance bill. Supporters of the change argue that private members will have more opportunity to debate more general motions.
>
> In the end the argument is most likely to be resolved on one simple basis: the policy which most suits the government—

In spite of the little intervention by the President of the Privy Council concerning the point of privilege today of the hon. member for Winnipeg North Centre, those of us who sat on the special committee on procedure had discussion on the issue.

> Backbenchers clearly never will believe that, when government and opposition whips meet every Wednesday evening to decide on the business of the House of Commons for the following week, arrangements are made to suit the whole house, rather than the two leaderships. Indeed, some of the stormiest episodes in the house come each Thursday when the leader of the house announces business for the coming week.
>
> Certainly, time has been won from the government. But not enough to appease the critics who say that the government regards the House of Commons as a rubberstamp.

Mr. Stephen Fay could have been writing from the press gallery of the House of Commons of Canada. I need not go any farther. Perhaps he would like to visit here during this debate.

> It has been won, however, at the expense of some obscure, but residual powers.
>
> "I don't know of any sort of great differences; there's no dramatic change anyway," says one of the rebels sadly. But the rebels' cause could not conclude in the worst of all solutions: a limited pyrrhic victory.

Bernard Crick, who was at the Couchiching conference a number of years ago and who wrote a book on the reform of parliament which has gone into a new 1968 edition, also has written a more popular type of book called "In Defence Of Politics". This book should be a parliamentary bible. Among other things he said:

> To remove or destroy politics is to destroy the very thing which gives order to the pluralism and variety of civilized society, the thing which enables us to enjoy variety without suffering either anarchy or the tyranny of single truths.

• (4:10 p.m.)

There is a famous dictum of Lord Salisbury that if the public knew how their affairs were being managed they would not sleep in their beds at night I think that Lord Salisbury was being a little bit tough and rather harsh. The fact is that all but 16A and the supply portion

of the new committee's report will mean useful changes in our system.

May I enter a caveat to some of the speeches that have been made by government supporters? I find it depressing that they seem to think the majority the government received last June is an endorsation of rule changes. The rules are not the property of the Prime Minister (Mr. Trudeau), his government or his supporters in this house. The rules are the property of the whole House of Commons. I think this has been overlooked by some members who have taken part in this debate up to now. We are not changing the rules of the Government, we are changing the rules of the House of Commons. That is why I ask for some measure of understanding from the government benches for the problem faced by that other part of the whole process whose members sit to the left of the Speaker.

The problem that faces parliament is a problem of communication. The day of trial by combat is over. In this area as in so many other aspects of our life, the battle is for men's minds. I have not been here very long, since 1962 but to get here and stay here I have had to face the public on four different occasions plus three times in provincial elections. It is my impression, if I have one that is immutable—I don't know whether an impression should ever be immutable but the President of the Privy Council (Mr Macdonald) wants to make rules that are immutable from concepts that apparently are immutable—that for a great part of my time here the problem has been that we have not been responsive enough to what has been going on in this great Canada and outside in the rest of the world. Let me quote:

> The essential question is how far an active government wielding great and varied power, intervening in the detailed conduct of private business affairs, discriminating between one citizen and another on the basis of subtle and complex judgments of the communities' needs 10 and 20 years ahead, driving bargains with particular interest groups as administrative convenience dictates, can be subjected to effective democratic control.

That mouthful, Mr. Speaker, is contained in a book called "Modern Capitalism", written by Andrew Schonfield who was once the editor of the *Economist*. This is, of course, the core of the whole problem of effective democratic control. It is not the property only of the government of Canada but an obligation that is placed on all members of this House of Commons. Everybody has been jumping up and down during this debate telling the world they are on the side of reform. I was going to do that, but if anybody wants any credentials they can look up the committee report of December, 1964. That committee in its way was a fairly daring group. One rather dangerous proposal was that we be allowed to take our secretaries to our constituencies when parliament was not in session. I may say that this proposal was readily and easily made by Dr. Pauline Jewett. It took the men of the committee to remind her that it was all right for her to go home with her secretary but it might be met with some question if we did so. That was not the only proposal. In fact, a good many of the rules that are still temporary and still being debated here were proposed in the December, 1964 report.

I want to pay a bit of a compliment, if that is permissible, to the membership of the present committee. One of the things I like about it was that there were some members who had never been here before. I think that is a great thing because it puts me in mind of the Swiss. Every year all the men in Switzerland who make up the parliament vote in their male arrogance to prevent the women in Switzerland from exercising the franchise. I really think that the gods which hover over the Alps of Switzerland must find this one of the most curious exercises of democracy when only the people who want to prevent the reform are voting on it. This is analogous to my comment to these new members, and I propose to name them. They include the Minister without Portfolio, the hon. member for Saskatoon-Humboldt (Mr. Lang), the hon. member for Sudbury (Mr. Jerome) and the hon. member for Grenville-Carleton (Mr. Blair). None of these people have been caught up by any of the boloney here, and there is a lot of boloney here and a lot of sacred cows wandering about up and down the corridors. I found it refreshing to have a new look being taken by these members at these rules. Is there some problem from the rear?

Mr. Knowles (Winnipeg North Centre): They brought in some fresh boloney.

Mr. Fairweather: They were able to analyse the boloney in a way that a good many of the members who have been sitting here for a good long time were not able to do. I will say that for them. If the hon. member for Winnipeg North Centre (Mr. Knowles) can wait for his purple heart, I was just about to give it to him. I was going to add, and I think the new members will agree with this, that it would have been impossible for the committee to function or make any report at all had it not been for the hon. member for Winnipeg North Centre, the hon. member for Edmonton

West (Mr. Lambert), the Minister of Manpower and Immigration (Mr. MacEachen), that very resilient and very flexible minister and, of course, my house leader, the member for Peace River, whose patience and good temper were an inspiration to all of us. I suggest that the new blood on the committee was a very good thing. I sometimes wonder whether the next committee might not be staffed entirely by neophytes.

The problem we are trying to solve will not be solved by the proposed 16A, however, or by the abolition of speeches or by any of the speeches that are being made here, including, first, my own. It has been the subject matter of a great deal of discussion, and lately some people are becoming worried about it. My daughter would say, "daddy, don't get up tight about it." I am not up tight about anything except that we are unable as members of parliament to participate in the give and take of dialogue. Dialogue is a pretty legitimate word if it does not get hammered to death by people who do not want a dialogue but want to dictate. Dialogue is a two-way business.

A book called "Democracy And The Student Left", which had its origin in a speech made by a distinguished diplomat and educator, George Kennan, at the opening of the library at Swarthmore College and was printed under the title "Rebels Without A Program" in the New York *Sunday Times* magazine of January 21, just eleven months ago, has now been published. Kennan's thesis drew unprecedented response from both academics and students at universities. If any hon. member has nothing else to do over Christmas, he should read this book and be as excited as I was about the quality of the response from the undergraduate community. If anybody is worried, as some people apparently are because their preserves are being threatened by these compassionate young people, I would ask them to read this book and their worries will be dissipated.

• (4:20 p.m.)

I thought that one of the better letters, a letter I wish had been written to the President of the Privy Council but I will read it to him or speak it to him or put it to him, whatever you like—

Mr. Mackasey: Sock it to him.

Mr. Fairweather: That is the word. It is such an inappropriate expression to be used by the hon. member for Fundy-Royal that I hesitate to use it, but okay, I will sock it to him. It was by Professor Thomas Diamondstone of Ohio State University who wrote:

> The essence of democracy is not the will of the majority. This is merely the operational basis by which the political machinery is allowed to function.

If only the President of the Privy Council had listened to that before he proposed 16A. The quotation continues:

> The essence of a democracy is, among other things, respect for the rights of minorities and individuals, which in turn implies that the basis of democracy is moral, not operational.

Some hon. Members: Hear, hear.

Mr. Fairweather: The problem we are facing concerns a minister who is 110 per cent operational. I am not going to say what else, but he is all operations, anyway. The quotation continues in this way:

> This means that there are certain things which a majority cannot do, even if it wished to.

That is why we are standing here debating today, tomorrow and the next day. This is why rule 16A will not be accepted by the party I represent and neither will it be accepted by other parties. The Minister of Agriculture (Mr. Olson), who last Friday made a most extraordinarily complicated proposal that I do not think can be taken seriously, had better go back and get a proposal that is more acceptable to the house if he thinks these rule changes are to be taken seriously.

I do not know how much time I have, Mr. Speaker. I took a great deal of trouble to find out how to pronounce Walter Bagehot's name. I did not think it was "Bagot", like the constituency. Anyway, I have it on unimpeachable authority that it is "Bagehot". This is relevant because the old boy had something to say to us, whether he lived a few years ago or not. He wrote a book called "The English Constitution". He lists in that book some of the functions of the House of Commons. It is time we reread the book and paid more attention to it. He said in the book:

> First . . . the House of Commons chooses the prime minister from among its members.

The second function, continues Bagehot, "is what I may call an expressive function." It has an obligation "to express the mind of the . . . people on all matters which come before it."

This is what has been missing from the parliaments of which I have been a member. This is why the hon. member for Peace River proposed that in private members' hours there be some determination—I think this

proposal found general support in the committee from anybody who was not a minister—of private members' resolutions and bills. A proposal should be made in this respect and there should be, just as there is in the British house, what is called, I think, a one-day resolution or perhaps it is a short-day resolution. In any event there should be some means by which members, no matter to what party they belong, may express their collective will to the government. If we had had this procedure in regard to the Nigerian civil war there would have been a great deal more activity from the government benches than has in fact been the case. They were inhibited—I do not blame them for this—from expressing their free will.

I heard it said once that the former prime minister, Lester B. Pearson, said that when the free vote was called with respect to the capital punishment bill—I do not want to offend anybody but this may be read 50 years from now and it is a little bit of modern history that should not be lost—we would see the real liberals, with a small "l", stand up. I think there should be more times in all these terms and semesters—"semester" is a most uncommonly ugly word; "term" is shorter and plainer—when the will of members, be they government or opposition, be they doctrinaire, dogmatic, waffling or thoughtful, can be made known to the government and the people.

Walter Bagehot also says:

> The third function of parliament is what I may call... the teaching function. A great and open council of considerable men cannot be placed in the middle of a society without altering that society.

Then he continues:

> It ought to alter it for the better.

Of course, it cannot alter it here very much because we have not yet accepted some of the newer media for letting the public know what we are about. I refer to television, which people run from as if it were discovered the day before yesterday. The United Nations has been able to deal with this without too much difficulty. Nobody could ever calculate the value, for instance, of television prior to the hearings when Joseph Welch confronted Joseph McCarthy and destroyed him, really. Joseph McCarthy was seen for the first time by the American people for what he was, the incarnation of evil and bigotry. Millions saw this. It would not be a bad idea if some of the public could get a view of what goes on in this house. It would not be a dangerous thing;

Hansard could deal with it handily. The problem would be the number of times the dial was switched off. Walter Bagehot goes on to say:

> Fourthly, the House of Commons has what may be called an informing function... that to some extent makes us hear what we otherwise should not.

In order to be able to inform, just as in the case of to teach, I suggest that the member himself must be informed. This may involve the use of methods of inquiry which are quite new. Mr. Speaker, I assure you that I am about at the end of my remarks. However, there is one other quotation that I think is relevant. Alfred North Whitehead said:

> A merely well informed man is the most useless bore on God's earth.

I think every one of us should read those words every day because there are a great many bores and I suppose the member for Fundy-Royal is one of them. If we could be confronted with this challenge daily, perhaps it would be good for all of us. I wonder whether our sights are not too high here?

• (4:30 p.m.)

In the external affairs and national defence committee we are about to launch into a fundamental review of Canada's defence and foreign policies. We are staffed by an idealist named Peter Dobell who persuaded the Speaker's office, the Canadian Institute of International Affairs, and some Canadian industries to support an independent technical person in assisting members to ask the right questions. It is very difficult for the ordinary member of parliament to ask the right questions. If accountants are hired someone rushes around saying, "my gracious, we have paid an accountant a few dollars a day", or if a lawyer is retained the next thing we know there is a newspaper column saying that a lawyer has charged someone a lot of money.

Mr. Speaker: Order, please. I am interrupting the hon. member only to bring his attention to the fact that his time has expired. Has the hon. member the consent of the house to continue?

Some hon. Members: Carry on.

Mr. Fairweather: Thank you, Mr. Speaker, and I thank my colleagues. I will not be very much longer. I have suggested that we are at the stage where we must accept the principle that committees should be adequately staffed. Certainly if the proposal to end the committee of supply comes into effect it will be the

responsibility of the government, and we will remind them of it, to ensure that committees are staffed with technically knowledgeable people who are not beholden to the ministry. This is the only way we can have independent and proper questioning. I am not greatly disturbed about the tendency to follow what is done in the United States, although we always seem to worship in fields other than our own, but if we are to follow the U.S. committee system we will need the U.S. staffing system. There is no gainsaying this fact.

The proposal to televise the proceedings of the house will come about sooner rather than later. We cannot keep out this type of technological advance. The fact that the press gallery is able to report by pen and ink should not prohibit the film-maker from reporting by means of his own technique.

The next point I wish to make could I think well be applied to myself. Nevertheless, may I say with great deference, Mr. Speaker—and I assure you I will be well within the rules—that I believe Your Honour has no idea how much members of parliament would support a tougher attitude by the Chair with regard to relevancy and repetition. I have sat in the gallery of the British house when the Speaker chopped a member down. Perhaps it was a devastating experience for the person making the speech but it kept members to the point. A study of this proposal might also be a thought for future committee hearings.

People like to quote their favorite parts of the bible to support their points of view, and Ivor Jennings has been referred to several times in this debate, in fact a sufficient number of times to warrant a testimonial dinner being given him in the parliamentary restaurant. He is a contemporary expert on parliament and he has summed up the issue very succinctly and clearly. I should like to conclude my speech with his words:

> —the true function of the House of Commons is to question and debate the policy of government.

All that the opposition seeks is the opportunity to question and debate the policy of the government with the proper, modern tools that a great state like Canada can provide without any serious difficulty.

I am really deeply serious about this matter, as I have tried to be through most of this speech. I hope there will be a measure of flexibility on rule 16A. I hope that the Prime Minister and the administration will see that in this twenty-eighth parliament there is a mood to get on with the business of the country. I am willing to be put to the test as one backbench member of parliament. I would not presume to talk for the other parties but if Her Majesty's Loyal Opposition does not measure up to a better adaptation of rule 16A, then we will have no one but ourselves to blame and the government will be right to take the responsibility for such a change. However, until we have failed I ask the government very seriously to make a concession.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, following my election to this house on June 25 of this year and after observing the proceedings as an interested private member since the opening of this session of parliament, I have a few ideas about what I feel is the function of parliament, the function of the executive in this parliament, and the relationship of the one to the other. I believe, as has been stated by many hon. members on both sides of the house, that this is one of the most important revisions of the rules to take place for many decades and perhaps the most far-reaching since the formation of this institution.

Much has been said in the country at large about parliament not functioning properly. It has been said that debates are slow, that parliament does not work quickly and efficiently and that it puts the executive, that is, the Prime Minister and his cabinet, at a great disadvantage in carrying out the governing processes in our highly technical society. Much has been made of the need for the reform of parliament by the hon. member for Grenville-Carleton (Mr. Blair). He said that the mother of parliaments at Westminster had instituted far-reaching reforms that had improved their parliamentary procedure.

One of the arguments advanced by those who favour a drastic revision of our parliamentary system is that we have enormous problems of health and welfare, of housing, education, big business, big unions, and the estrangement of the common person from the governing process, of the loss of individuality by citizens and of the overpowering of his personality by the sheer complexity of government. If parliament is to blame for the state of the nation at present, as many of its critics believe and state, I do not feel that the main reform of parliament along the lines suggested by the government will in its totality materially change our economic and social situation. Indeed, a look at the state of the economic and social structure of the United Kingdom would seemingly not disclose that

the great changes in their parliamentary system, as proposed by many here, have materially improved their economy or that their social system has materially benefited from the parliamentary changes at Westminister.

I suggest that perhaps parliament has been much too efficient in grinding out legislation which has affected and changed the lives of our citizens and the social structure in which we live. Anyone who examines what parliament has produced for the Canadian citizen in the last 25 years cannot deny that there has been a vast amount of legislation passed which regulates, changes and affects the everyday life of the average Canadian to a degree not even thought of 50 years ago. The average Canadian has become so dependent on the government that he looks to it to provide him with sustenance in his old age, protection for his health, access to hospital facilities of a highly complex nature at no cost to himself, to provide education for his family, at least to the end of the secondary level and for much of the post-secondary level, to provide him with maintenance during periods of unemployment, and to provide him with some sort of basic maintenance throughout his whole life from womb to tomb.

The governments at all levels are spending almost 40 per cent of the national income. It is small wonder then that disruptions arise and the individual feels that the government is not doing enough for him.

• (4:40 p.m.)

But man is nothing if he is not an individual, and no system can be devised that will make him completely happy and allow him to fit into the social slot. He has not evolved yet to the stage where any one institution or set of institutions will make him completely happy or contented. All institutions devised for government are necessarily imperfect; but I believe that the guiding principle is that institutions that are imperfect but flexible are much better than institutions that are perfect but inflexible. Institutions devised only for the government of the day, by being made more rigid and inflexible, can more easily carry on the business of the day, but they quickly become outmoded and unworkable. As a result intolerable situations develop and social frustration and eventually upheaval are the main results. So I believe that parliament must be changed, but changed always with the view in mind that the governing of man is a very imperfect process, and that we should aim for a flexible, if imperfect, structure as compared to a rigid and necessarily more perfect legislating structure.

I am not qualified at this stage to judge the effect of all of the rule changes. I would like, however, to put forward some ideas on certain of the proposed changes that I feel will not work to the best advantage of the house and of the country.

The first of these changes relates to the committee of supply. If all estimates are sent to the standing committees I feel that this will be a very retrograde step. Since coming to this house I have attempted to attend every committee of which I was a member and to carry on a reasoned questioning of the witnesses. I feel I had a considerable knowledge of much of the subject matter discussed in the committees and in the subject matters of one or two of the committees I had a high degree of technical knowledge. None the less I felt that I accomplished little and that the committees little fulfilled the function for which they were set up.

The first and most marked observation about standing committees is that the government must necessarily appoint the chairmen. In the committees I attended the chairmen were usually reasonable and attempted to give an impartial right to each member. But they certainly were under no obligation to do this and in occasional committee meetings sometimes the whole period would go by without a single opposition member being allowed to ask a question. The standing committees very much lack the impartiality and protection that the Speaker gives to the House of Commons.

It is obvious that the chairman and members of the committee from the government side would in times of scandal, mismanagement or what have you, as best they can and in their own interests make the very best effort to prevent discussion of matters that were inimicable to the government's interest. As well as that, questioning of witnesses, who are usually government employees, reveals that they will answer only as long as the government is not embarrassed.

I do not see how the new rules can make any more time available for the scrutiny of the estimates. In fact, only a very few estimates can even be given casual scrutiny. Members of parliament lack the background information intelligently to question most of the items that come before the committees.

The purpose of parliament, I am sure, is not to decide whether a project is being carried out effectively, or whether money should be spent on one portion of a project or another. This decision is much too technical, and even with the greatest back-up staff only a few, if any, members of parliament can make a meaningful contribution.

The purpose of parliament, it seems to me, is to debate whether or not a project should be carried on for a particular reason. A case in point is the abandonment of the ING project while the Post Office Department went ahead with the satellite program. One project was abandoned in the interest of economy while on the other hand a new expenditure was made. Both of these projects were similar in scope.

It seems to me, if scientific programs are to be properly discussed, that this discussion cannot take place in a standing committee. Such a committee would be a rubberstamp for the government because all discussion could be effectively controlled by the government. The only place where a useful and realistic debate on matters of supply can be carried on in parliament is in the House of Commons. I realize that the estimates of every department cannot be scrutinized in this way because this would be too time consuming and probably unnecessary for the vast majority of departments. But surely a limited number of departmental estimates each year could be brought forward for consideration by the house so that the general principles relating to the departments concerned can be debated.

More and more the government of Canada is becoming involved in the taking of money from one individual and the giving of it to another. More and more the economic health of this country is dependent upon the monetary policies of the government. If the House of Commons loses control of the purse-strings and its means of criticizing and giving wide publicity to the country's monetary problems, then most legislation will be of little value.

If scrutiny of the estimates takes place entirely in standing committees, the control of the House of Commons over spending will be effectively reduced to little more than token scrutiny. I think this would be very detrimental to the power of parliament effectively to control the financial affairs of the nation. If the proposed standing order 16A is implemented, it will mean that the government house leader can unilaterally declare a committee null and void, should he so desire, and thus unable to examine a particular item that is before it. I believe that the committee structure as proposed just would not work.

In past sessions ministers of the cabinet were present on but few occasions in committee meetings. I believe pressure of government business will prevent them from attending committee sessions any more frequently than is the case at present. I have noticed that when the committee of supply was in session ministers did attend and often provided reasonable and valuable information.

As a result of comments made outside the house and by the news media the impression has been created that members are more prone to make speeches in committee of supply than to examine estimates. I suggest that the estimates will not be examined any more thoroughly in standing committees than they are at present, because the subject matter is just too vast and the time too short for members of parliament to carry on any real internal audit of the estimates. I feel that a speech can be very useful if it is directed to a particular aspect of the department under discussion. It is also important to have a forum wherein new trends and ideas can be analysed for the consideration of the government and the people of Canada. Only in committee of the whole house can one get maximum publicity of such analyses through the news media.

If parliament is to fulfil its function properly, it must be an arena for debate. A certain amount of such debate must be carried on on the floor of the House of Commons under the impartial jurisdiction of the Speaker. The days allocated to the budget and throne speech debates are insufficient for this important function of parliament. It is most essential that parliament debate some of the estimates in order to fulfil its role as watchdog of the public purse. If the control and money is lost to parliament, then control over the whole of the state will rest with the executive. I most heartily endorse the position taken by my leader that some of the estimates, by agreement, be retained by the house for discussion in committee of supply.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, some of the ideas I have may be new or at least different. As a previous speaker said, perhaps I have not yet been "steeped in enough boloney". However, to be fair I must say that since I have been in this house I have not observed the waste of time to which reference has been made in this debate. Rather, from my own observations I

think all of those who have taken part in the debates of this house have been earnestly trying to further the interest both of the debate and of the nation as a whole.

It does not surprise me too much that the rules of this house and the manner in which the house discharges its business should come under discussion at this time because we are entering a new era of communications and technology. People may very well feel that this demands new approaches because it is putting new stresses on those who make decisions and on the institutions which make decisions. This is just as true of the city council of Saskatoon or the town council of Biggar or the rural, municipal councils in the area where I live as it is of this house. These government bodies are being asked to spend more money and to do more things. They are being asked to undertake a greater role in the everyday affairs of individual men.

• (4:50 p.m.)

There was a time in the area where I live when, to fix a road, someone took what we call a slip scraper and filled in the hole in the road. That is all there was to it and that was sufficient to repair the road. Now no one would think of doing that. The ordinary, individual taxpayer has nothing to do with it. Certain moneys are voted, certain taxes are raised, council decides where a road is to be and it is built there. The situation has completely changed in less than most men's lifetime.

Now we have new means of communication. Television is beamed across this continent, across all the civilized world, telling people what a glorious era they live in and how lovely it is to belong to the United States or Canadian middle class for those who can afford to enjoy its benefits. Television programs tell us almost everyone can own a motor car, almost everyone can get a loan for more horses—I forget the exact wording of the advertising. In this new era of technology and communication the real problem facing parliament and the people of Canada is the difficulty of communicating between the ordinary citizen of Canada and those who decide many of the things that affect his life.

In some ways it is more difficult to communicate now than it was in the days of the slip scraper. In those days of the past when your road had to be fixed a councillor would come to you and say, "Well, Joe, take your horses and fix the road." Both men knew what they were talking about. They knew what had to be done, knew it was essential because they could see the hole in the road, and as a result the job was done. It is different now. By one means or another we must convince the individual in Moncton, New Brunswick, in the Gaspé peninsula, in the prairies or out on the west coast that what is done in this parliament is essential for the individual and, more than that, that it is in his interest. These proposed rule changes are so important because, as I understand them, they will alter the ability to communicate.

If you limit the right of an opposition member or backbencher in this house to express the wishes and opinions of the people who sent him here, you limit or change any communications that might take place between him and his constituents. If he does not have the opportunity to stand up in this house and speak, then to a degree you limit his right to communicate. If he is not reported as having expressed in this house the wishes and opinions of the people he represents, most people in his constituency will say ultimately, "Oh, that individual—we should never have elected him." If they then send another man and the same thing happens, they will ultimately conclude that there is really no point in sending anybody. When we get to that point parliament will really have become downgraded. Parliament in my opinion will not be downgraded by excess of debate but rather by paucity of debate, by the inability of those who have been sent here to express effectively the needs of those who sent them. This is what we should be concerned about.

There has been discussion here about tradition, particularly the tradition of that parliament from which we have drawn our ideas and on which we have patterned much of our procedure. There has been discussion about rules and about the manner in which members carry out their roles in the mother of parliaments as well as about the manner in which debate is controlled there. Traditionally the individual member has the right to say what he thinks in the mother of parliaments and the right to a forum where he can say it. In short, he has the right to express his point of view. That is the basis of any real parliamentary tradition. It took centuries for those rights and traditions to be achieved. It took a long time for individual members to have the right to say in an appropriate forum what they thought, without fear or favour—and that is important because we must have certain guarantees in our parliaments. It took a struggle to achieve our rights and traditions, and it was not easy. We glory in the background of the British parliament, but I point

out that it was not always as it now is. Only in 1929, if my memory serves me correctly, did universal sufferage become general in the United Kingdom. That is not long ago. Our democratic institutions really are not that old and we have not used them for long—for a few generations only.

When we discuss rules in this house the most important question we ought to ask ourselves is not whether our time is well spent or otherwise but whether the rights of individual members of parliament are being preserved. Are we preserving the right of parliament to act effectively on the needs of the times? Are we preserving its right to act effectively through the media of publicity—press, radio and television—so that there is a two-way communication between hon. members and those who sent them? In regard to this chamber itself the real question is not whether the present procedure wastes time but whether it serves the people. That is a positive question. If the answer to that question is yes, then this parliament and this house are serving their purpose. There will be no communication through the press or by radio or television unless this parliament plays its part. Certainly there will be communication by the executive arm of the government. From time to time the representatives of the press will ask ministers what they are doing and ministers will give reports over television or radio. What the country wants to know is what individual members are doing.

• (5:00 p.m.)

Mention has been made of additional work being undertaken by the standing committees. This may be a practical way of taking some of the load off the house. In the short time I have been here I have served on two committees—continuously on one of them. We held 11 meetings and the minister concerned attended four of them. I would say the chairman did a fair and even-handed job. But the committee was lacking in services; one could wait for days before the transcript of the proceedings had been prepared and was in members' hands. One could attend a second meeting and possibly a third before the proceedings of the first meeting were available. The steering committee met once. The chairman called it twice but only once was there a full meeting of the steering committee.

We called certain witnesses before us. They appeared and answered questions fairly. But it is likely that many more witnesses would have been necessary, and a great deal more time, before a complete picture of all the activities of the departments concerned could have been presented. I seriously question whether committees can effectively do the work which has been done in the house. This chamber does provide a forum for debate; it does provide for questions to be asked and answered. More important still, it provides an opportunity for an individual member to state his position. This house is the only real forum available to an hon. member. The only real protection against big government is parliament. This is the place where the representatives of the people can speak without fear or favour.

Whether we like it or not—and I suppose some people do not like it—government is playing an increasing role in the economic and political affairs of this nation. This trend is more likely to increase than to decrease. The choice is not, as was suggested today, between helping farmers to sell wheat and taking over their farms, placing them in the position of hired men. It is suggested that the government must either own the land and hire the farmer to produce or step outside the picture altogether. These are not the alternatives we face in this country. This idea is archaic. It is as out of date as the man with two horses pulling a slip scraper.

In this country we quit arguing about the alternatives of capitalism and communism years ago. The issue is not even relevant any more. The question we face really involves the degree and the manner in which government, business, industry and labour are to be mixed—how they will live together and under what conditions, the degree to which government will enter into the economic affairs of the nation. This is why parliament is of prime importance. It is parliament, either by positive decisions or by negative decisions, which will effectively direct the affairs of this nation or opt out. It is therefore essential that parliament be a powerful force in our affairs, and for this reason we should not leave power in the hands of big government without seeing to it that the balancing effect of members who sit on the back benches is preserved.

The degree of government intervention can be observed day after day. There was a picture in the press the other day of the Minister of Labour just after he had successfully resolved the Air Canada dispute.

Mr. Blair: Hear, hear.

Mr. Gleave: I agree with you, sir. But consider the implications. Air Canada is owned by Canada and controlled by the government of the day. The individual who moved to settle this dispute with a powerful union was a minister of the crown answerable to this house. In these circumstances, how important it is that members of parliament should be able to ask that minister: how well did you perform this service and how fairly did you perform it vis-à-vis the labour union? As I see it, this trend toward government influence and intervention is likely to accelerate rather than diminish.

Let me give hon. members another example, this time from the *Globe and Mail* of December 6. Here is a report saying that the Hudson Bay Mining and Smelting Company of Winnipeg expects to complete its $18.4 million takeover of Sylvite of Canada Limited, Regina, by Monday. I would direct attention particularly to one paragraph of this report:

> Development at the mine has so far cost more than 10 million. Mr. Austin said it is two years from production. He said pre-production expenses for the Sylvite project will be used to reduce Hudson Bay's taxable income beginning this year; without this provision for tax relief, the take-over would not have been undertaken.

• (5:10 p.m.)

Government, by its taxing policies, is the arbitrator, the decider whether or not a business take-over occurs, whether or not a certain project continues. In that light we see the importance of parliament in this debate.

I think it is also relevant to this procedural issue to ask ourselves why the government wishes rule 16-A. Why do the men who sit on the other side of the house wish unlimited power? To make these kinds of decisions so they can take action, or possibly so they do not have to take action? Which is it? Is it so that the government can deal with rising unemployment or so it will not have to deal with it? Is it so that it may deal with the situation fast developing in western Canada with respect to grain, or so it may be avoided? Is it so that debate will not be quite so severe, so prolonged, and so that not as much can be said about it? Is it so that someone may deal with the groundfishery situation on the east coast, or so that it can be avoided?

To what end are these powers sought? So that the government can do things or so that action can be avoided? So that the government can deal with the vast technological changes, so that the political and economic climate of Canada can be kept abreast of these changes, or so that action can be avoided and leave the people of Canada individually to struggle along by themselves?

I suppose there are some people who support this move, but I submit that no prime minister who conceives of parliament as the dominant force of Canadian political and economic life can support this kind of proposal to parliament and to the Canadian people. Some portions of the press are becoming concerned. I read this editorial from the Saskatoon *Star-Phoenix* of last week:

> A government that is unconcerned about the privileges and responsibilities of its opposition deserves a chance to serve in opposition for a while.
>
> The Liberal government in Ottawa may be demonstrating such unconcern in its proposed rule changes for the House of Commons. One of the changes would give it the power to set limits on opposition members' debating time.

It goes on to say:

> —an opposition in Parliament performs a vital function in a democracy—a function which could be significantly hampered by the proposed rule.
>
> Normally government policy undergoes fairly thorough scrutiny in caucus before it is presented to the house. This can have a tempering effect on questionable proposals, but it is not a substitute for public examination by an opposition that is not interested in furthering the political ends of the government—
>
> If the government is truly unconcerned about this, Canadians would have good reason to consider giving the Liberals another term or two in opposition—as a reminder that an opposition's role in parliament is sometimes of importance equal to that of the government.

Some of the press and some people outside the house are concerned about what is being proposed here. What the government seeks by these procedural changes is the impotence of parliament. Once the executive arm of the government has achieved its objective and deprived the opposition parties of the ability and freedom to protest, then it has automatically done the same to its own backbenchers. It can follow a course of political inactivity in an economic sense. It will then be able to follow the United States tradition of withdrawing progressively from small islands of economic intervention and it will not move to take effective economic action.

This is one of the differences between the tradition of our system and that of the American system. Since 1867 our parliament has been a parliament of action. It took the action necessary to weld Canada together. It created the transportation system that would

do that. It created Air Canada because Canada has to be welded together with a communications system. It created the C.B.C. You find none of these important means of communication in our neighbour to the south. Our neighbour to the south took a course whereby congress was not active. We, for our part, have taken the course of saying that in certain fields, at certain times, in certain necessities, we would be active.

One of the saddest things I have ever observed on television was the poor people's march on Washington, to see them in their thousands sit outside congress and yet congress took no action. Why? Because this is not their tradition. This is the same thing as the farmers selling their own wheat. The government is not concerned. Unless we turn things around, unless we reverse the traditions and the courses we have followed in the past we will continue to say that government plays a role in the economic affairs of Canada, in the planning, in the working out of our long and short-term objectives, in deciding the course of destiny for the Canadian people. If we follow our traditions this we will say and this we will do.

Our tradition has been one of communication and also of participation, not only in this house but on the local level. In the area I come from it does not matter whether people's antecedents were Ukrainians, Czechoslovakians or Germans. They were expected to and did take part in the day to day affairs of the councils and other government bodies in that area and in that province. This is the real tradition of Canada, not a tradition of race or of any particular ethnic origin but a tradition of people working together to achieve the end which they think is desirable, not being negative or afraid but being positive and constructive and willing to strike out on new paths when it was necessary to achieve those objectives which they desired. The rule changes proposed here negate the traditional approach which we have created in the short time we have been a nation.

• (5:20 p.m.)

I am not dedicated to the preservation of any "ism" because the isms often lead us into trouble. But I am dedicated to the preservation of the life and vitality of this parliament and to seeing it as an instrument to further the interest and welfare of the Canadian people. I believe the people of Saskatoon-Biggar see it that way. They expect us to act. They do not expect us simply to keep the ring, as someone described the British parliament in its heyday of Conservativism, but to keep safe the economic interests of the country.

We are being asked to limit the participation of individuals in this parliament while at the same time the government sets up regional desks some place back in the hinterland to give them advice when they should be seeking advice from their own backbenchers and the members of the opposition, if only they would listen. "Regional desk" is a good term. It is a nice term—a desk made of steel or wood which does not talk to anybody. It is the people who will sit behind the desks who will do the talking. If they are anything like most political servitors they will tell you, when you get their answers, all the things you want to hear. If you want the truth, then you should listen to those who do not agree with you and not to those who are committed to agree with you beforehand.

As is the case in respect of those who have spoken before me today, I am completely and utterly opposed to the provisions of 16A. They will muzzle and limit this parliament and it will be that much less effective if the government has its way.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker the only thing I regret in rising to speak is that some of my hon. friends are not here to give their applause. I am thinking for instance, of the hon. member for Bruce (Mr. Whicher) who is a very good supporter of mine. In order that he may be somewhat enlightened I shall place my remarks on the record and he will have an opportunity to read them in any event.

Mr. Nowlan: Mr. Speaker, on a point of order if I may have the indulgence of the house I believe we all hope that the hon. member's address will be as productive as his wife was on Friday night because he is now the father of another child.

Some hon. Members: Hear, hear.

Mr. Lundrigan: Mr. Speaker, I should like to say that this is one point of order that is in order. I wish to thank hon. members for their very kind wishes. I think the wind has been taken out of my sails a little, but I am sure I will recover. First of all I should like to congratulate the members of the committee on procedure who, but for the grace of God, did an excellent job in their efforts. I should like to congratulate my colleagues who worked on that committee. I have come to know my colleagues in this regard. As a new member I was impressed by their sincerity and the role

they took in trying to bring about changes in the rules that would benefit the whole house and the whole nation because parliament does serve the whole nation of Canada. I wonder why such a stipulation as 16-A was ever brought in as part of the report. I notice the attempt of the government house leader to apologize for its existence on Friday when he did the sort of thing one would do for a youngster who complains, that is, give him a popsicle or a candy. I have wondered what the motive was behind 16-A. After having listened attentively to a number of eminent members of this house make their representations I realize that 16-A was included deliberately to give to the government the power this provision gives.

Having read during my days as a student a number of eminent writers of the 17th century and their criticism of the British judicial system I was reminded of a statement attributed, I believe, to Pope when he said that beggars hang that jury men may dine. This is a very succinct summation of some of the inequities of the judicial system of Britain a few centuries ago. I wonder whether this is not a complete summation also of the content of 16A in that we will hang because they are hungry. This is the attitude of the government toward the problems which exist in this nation.

I certainly do not intend to stand here and take issue with many of the reforms that have been recommended in the report of the special committee on procedure. I am one new member of parliament who is a little impatient and who, like all new backbenchers of all parties, would like to see the government in power take action on many of the social, economic and other problems of our nation. I can say I have been very impatient with the way in which this government to date has not faced up to the problems confronting this nation, despite its great majority.

If I were to make one point only in my few remaining remarks I would dwell heavily on the one point which caught my attention in the remarks made by the Leader of the Opposition (Mr. Stanfield) last Tuesday. I shall quote from the remarks of the hon. gentleman as they appear at page 3758 of *Hansard*. These remarks represent the feelings of our leader and of all hon. members in this house who are legitimately and sincerely interested in the regional problems of Canada. They represent in a very brief fashion the part that parliament must play in dealing with these regional problems. The Leader of the Opposition said:

> I suggest we must remember that this is the only national forum in which spokesmen for all parts of Canada can speak and expect to be heard. I need not remind the house that different regions of the country have specific problems and points of view. Discussion in a national forum helps to knit the regions into a whole nation and to build a stronger unity. It seems likely that one of the serious casualties of any major limitation upon the time of debate would be the right of spokesmen to be adequately heard on the problems of the regions. I suggest that national unity would suffer.

As a member of a particular region of Canada I feel, as I assume all members who represent particular regions of Canada feel, that any attempt to restrict legitimate debate on matters pertaining to regional problems would be an infringement of the rights of the people of the various parts of Canada and the people in all of Canada. I consider that one of my main tasks as a new member, and one of the main tasks of any member of parliament, is to sensitize the members of the government in respect of the various regions of Canada, because regardless of how competent, capable or sincere a minister is he cannot expect to understand fully the importance of the particular problems which relate to the various regions. I suspect that had these ministers been so sensitized they would have made an effort to sensitize the bureaucracy into putting the policies and programs of the government into effect.

I consider that the regional problems of Canada which face the whole nation right across the dominion must be brought to the attention of parliament as time progresses and especially because of the changes in government and the changes of ministers of the government who occupy different roles and new portfolios. These people have to be sensitized to our problems across the dominion. How are the ministers and the government going to understand what is going on in Canada if we are not allowed and permitted the right to debate these issues in this house? I am amazed at the attitude of some of the new members who have suggested that by bringing in the proposed 16-A or anything which will or can be intended for the purpose of eliminating debate in the House of Commons they will be better off.

• (5:30 p.m.)

Perhaps I might be permitted to refer to my own problems for a moment. I have had the opportunity since I came to the house of mentioning several problems peculiar to the Atlantic region and I shall continue to do so

if the Speaker permits me and with the good will of the house. This is only one region of Canada which has and will continue to have social and economic problems so long as the government continues to take its present attitude. A number of members from the Atlantic region have debated the function change of the C.N.R. These remarks were made during our discussion of the C.N.R. financing bill. I only regret that we did not call for a vote and refuse to provide the financing sought. Any body such as the C.T.C. or the C.N.R. which proceeds to act as dictatorially and inconsiderately as they have acted does not deserve the support of this representative assembly.

I suggest that if there had been members of parliament from the Atlantic region who had been prepared to stand in this house during the last parliament to indicate the importance of a railway system to one province of Canada, Newfoundland, the Canadian Transport Commission and the C.N.R. would not have dared to make the kind of decision they have now made so far as our railway system is concerned. Had we had members with the gumption to get up in this house and make the points we have now made we would not be faced with this very serious problem.

We have heard members from British Columbia, Nova Scotia, New Brunswick, Prince Edward Island, Quebec and Newfoundland talk at length since this parliament commenced about the serious problems facing our fishing industry. We have had little difficulty in convincing our own colleagues of the seriousness of the state of that particular economic aspect of the Canadian way of life, but we have had great difficulty in obtaining the interest of the minister in respect of our problems. Unless we are permitted to stand here and present our cases, and if the minister continues to take no heed of what we are saying, we will find the whole Canadian nation in a much more serious economic state of affairs than exists even now.

The Prime Minister (Mr. Trudeau) does not understand the problem facing that industry. Undoubtedly he has heard some talk about it and he may have heard some ministers refer to it, but neither he nor the hon. member for Rosedale is familiar with the Atlantic fishery and perhaps they are not too interested. The Minister of Fisheries (Mr. Davis) and his colleagues might well be sincerely interested in this problem, but they are obviously not fully aware of the serious circumstances involved. What I am trying to say is that unless members of parliament are permitted the right to stand here and indicate to the house and the rest of the people of Canada those problems which exist, the government may never do anything. When one speaks in this house one can influence policy because of press coverage, and one can sensitize the whole nation to the problems of various regions. Perhaps this right will also be taken away shortly. I hope for the sake of the members of the press gallery that they will still be in existence in the new year, and that the Prime Minister does not remove them as a Christmas present to some of his hon. friends.

Unfortunately I was not here on Friday afternoon to hear the remarks of the hon. member for Bruce. I should like to have been present because I was amazed at what he said about this institution being the most exclusive club in Canada. He used that phrase frequently throughout his remarks, and he suggested we should be ashamed of ourselves because we have only passed eight or ten pieces of legislation. Although he did not use this phrase, he said in so many words that parliament should become a sausage factory. This phrase has been used in respect of some educational systems in Canada which turn out young people as though through a sausage factory. That hon. member also said we should be ashamed of ourselves for asking the silly questions we pose in the house. I believe the only reason for this attitude is that a number of Liberal backbenchers are frustrated because they came here with the great idea of taking part in debate and with great ideas about our democratic system of government but have since found different.

Many Liberal backbenchers are blessed with ability and would love to get in their two cents worth but are not permitted to do so, not only because the government house leader and others steal the show most of the time but also because time does not permit. This might be one of the problems. In any event, quite a number of Liberal backbenchers are really frustrated, and I have talked with a number of them. They feel—I was going to say taken in or sucked in but that is not very parliamentary—they have been sold a bill of goods and that these reforms will result in giving them greater flexibility in being able to take part and put their points across.

One point which has been made is that the committees will become the forum for debate. Consequently this has given a number of

Liberal backbenchers the feeling that, goodness gracious, there will be a chance for them to get into the debate. They feel they have lots of ability having spent ten years in this or that legislature, or having been mayor of a great metropolitan area, or this or that or something else. They feel that if they can get on a committee which is to be a forum for debate they will be able to get their points across and make a contribution.

I am really shocked by this feeling on the part of the Liberal backbenchers because they ought to realize that the house leader who controls parliament also controls the committees. We had an example of this last week when one committee functioned well and brought in a motion. This motion did not meet with the approval of the house leader and he threw it out. He can decide what is to happen in a committee and who will take part in the debate, when a resolution will be brought in and when it will be debated. He can decide pretty well whether committees will exist. I am shocked by those frustrated Liberal backbenchers who feel that by limiting the debate in this house they will have a greater opportunity to talk about their own constituency problems. They seem to feel that by limiting debate as a result of the proposed rule 16A they will get rid of their frustrations.

Mr. Baldwin: They will have many more problems in the future.

Mr. Lundrigan: One of our major problems in this 20th century is in realizing the fact that we are living in a changing society. As Aristotle said when he was a growing boy, society is always changing. There is a need to make decisions which are going to result in a sensitive approach to the needs of people. This is one of the greatest challenges which faces any organization or institution. I am surprised that any Liberal backbencher could support the proposed change in 16A when in actual fact all they are doing is relinquishing their right to speak. Under the proposed 16A no one will have the right to speak except the Prime Minister, two or three of his friends in the front row and perhaps two or three of my friends in our front row. The opportunity for a backbencher to speak will be completely eliminated. We might as well go home. Liberal backbenchers might as well realize this, go home and send other stuffed shirts to Ottawa, or perhaps a tape recorder, because they will have nothing to do.

No one denies that we need changes in parliament. Having followed the proposed changes since I have been here as a new member, and the report brought forward by the special committee, I believe the committee has done an excellent job in coping with some of the changes which were needed.

• (5:40 p.m.)

I think we need a change, for example, in the sensitivity of the bureaucracy in Ottawa to the needs of the people. We need a change in the efficiency with which decisions of parliament are carried out by the bureaucracy, which tends to bog down and because of its inefficiency, rules, regulations and inadequacy never really puts into effect many of the decisions made by parliament. We need a change in the attitude of ministers of the crown in answering questions in the house. A Liberal backbencher told me that he made a count and one question, the same question, has been asked 40 times since the beginning of the session. He thought this was a terrible reflection on the opposition. What is the minister or his department doing if the question has to be asked 40 times? Obviously an answer has not been given to the question.

I have been frustrated to the point where Mr. Speaker must have taken great exception to my presence here, and rightfully so, as a member of parliament standing and asking questions and receiving nothing more than a shrug of the shoulders for an answer or a "ditto" here, a "ditto" there, here a "ditto", there a "ditto", everywhere a "ditto". This shows the frivolous attitude on the part of a number of ministers.

I have been really frustrated, especially on occasions such as today when we have a chronic emergency developing in one of our provinces and have not been able to get the ministers concerned into the house to answer questions. I think the whole attitude of the government has to change. The attitude of the Prime Minister and the attitude of the hon. member for Rosedale have to change. The people of Canada gave them a majority but they did not give the members of this government the right to eliminate parliament.

Some hon. Members: Hear, hear.

Mr. Lundrigan: We need a change in the attitude of the government toward taxation. I listened with great interest during the budget debate to a number of members, including some of the Liberals, speaking about the aims of the government. This government still retains an out of date attitude toward taxation. Apparently it has never read some of the eminent documents emanating from

great writers to the south who have been advising administrations in that country. The attitude of our government toward taxation is 18th century. I do not think the government has one bit of interest in the farmers of Canada. We need a great change by the government in its attitude toward the farmers of western Canada. I have never heard such important speeches by sincere individuals, with so little result from this government, as I have in respect of the farmers of western Canada.

We wonder, when we rise in our places as members of the house, not only of the opposition but of Canada's parliament, whether this government gives one darn about the farmers and the fishermen of Canada. We wonder about its attitude toward unemployment. I read only two or three days ago that there has been a significant increase in the unemployment rate in Canada. I think the figures for the nation indicate that 4.4 per cent of the people of Canada are now unemployed. This is an increase of some 70,000 over the number of unemployed for the same period last year. Yet still we talk about a just society. Still we talk about the amenities of modern life. This is the kind of change of attitude that we can do with right now. I can assure you, Mr. Speaker, that none of my colleagues would take exception to this kind of change of attitude by the government.

Sometimes I wonder, listening to some members taking part in debate, whether they really realize whose rights we are talking about. We are not talking about the rights of the Liberal government. We are not talking about the rights of the Prime Minister or those of the hon. member for Rosedale, the present house leader of the government. We are not talking about the rights of the Tories, N.D.P.'ers or Creditistes. When we speak about rights we are talking about the rights of the Canadian people.

Some hon. Members: Hear, hear.

Mr. Lundrigan: I think it would be wise for the Prime Minister and his colleagues to realize that parliament is responsible to the people. We are being asked to make parliament responsible to the Liberal house leader. This is in actual fact what could happen if rule 16A were passed in its present form. As I say, Mr. Speaker, we would make parliament responsible to the Liberal house leader. I do not mind going along with reform. I do not mind gambling a little bit. But I am certainly not going to commit suicide.

I ask all hon. members to tell their constituents the exact nature of proposed rule 16A. Members should tell their constituents exactly what powers it could give any house leader. They should tell their people what powers it could give to the present house leader and to those who would follow the hon. member for Rosedale. The hon. member for Rosedale may well not be in the house after the next election, but in actual fact if we passed this rule we would be giving this power to anybody who happens to be the government house leader in the future.

I ask hon. members to tell their constituents what this rule could really mean. They should ask their constituents whether they would be satisfied if their rights were relinquished. This is what is sought to be done by rule 16A. We are elected to represent constituencies and to be the voice of our people in parliament. It is not the voice of John Lundrigan from Gander-Twillingate, or some other insignificant character in history who will pass on after a few years and that will be all that is heard of him. We will not be giving up the right of this parliament but the right of the people in our constituencies who have been gracious enough to give us the right to speak on their behalf.

I ask hon. members to ask their constituents whether they are prepared to give up the right of members to speak for them on the farming industry, the fishing industry, the mining industry or the housing situation. I ask hon. members: If the house leader decides that he is going to eliminate debate, as indeed he can under the proposed rule, who will speak for the miners of British Columbia? I have paid attention to the situation in B.C. and am aware that there are significant problems there. I have not heard too much about them, though, because some of my hon. friends are a little less than eager to rise and exercise their right to speak on these matters. This is their privilege. But given a little time I think they will get used to what happens in the house and will eventually rise and speak for the miners of British Columbia.

Who will speak for the farmers of the prairies of Canada if not the elected members from that part of the country, be they from the great Tory party or of any other political affiliation? Who will speak for the farmers of Ontario if debate is limited? Who will speak for the corn growers of Ontario, who faced a tragic situation this fall and who but for the great efforts of a number of my colleagues

and others would have had to suffer even more intolerable conditions than those they already face? Who will speak for the language rights of Quebec if this government decides tomorrow, after two hours of skirmishing, that we will spend 20 minutes or half an hour dealing with the language rights of Quebec and the rest of this nation?

Who will stand up in this chamber and speak for the people of Quebec and the rest of Canada regarding language rights? Who will talk about and represent the interests of the lumbermen of New Brunswick, people who have hardly been heard of in Canada? Who will represent the lobster fishermen of Nova Scotia about whom we are very keyed up? Who will speak about the causeway and other problems of the people of Prince Edward Island who are awaiting the Christmas announcement of the Minister of Public Works (Mr. Laing), if he ever gets around to making it? Who will speak for the fishermen of Newfoundland who have been left out in the cold for about 20 years? Only during the last few months have we heard about the problems of the fishing industry on the Newfoundland coast, because those people who came to this house previously did not exercise their right to speak on these matters. It is a good thing they are not here now because they would never have the right if this rule passes.

• (5:50 p.m.)

I ask hon. members, especially backbenchers new to parliament like myself, who will talk about legislation regarding the unemployment situation in Canada? Who is going to stand up in this house and indicate the serious problem of unemployment facing this country? Who will rise here to speak about the legislation on housing which we are all awaiting, or about this great city in the sky about which the Minister of Transport in charge of housing is talking? Who will take issue with some of the loopholes and some of the lack of thought regarding the legislation on housing? Who will be able to stand up and talk about the voting privileges of young Canadians, people who have not yet reached the age of 21 but are demanding the right to vote, if this government decides to increase the voting age to 23? Who will stand here and take issue with some of the inequities in our Criminal Code and point out to the Canadian people what is meant by the amendments to the Criminal Code of Canada when this legislation is brought before the house and can easily be forced on the house?

[Mr. Lundrigan.]

These are the kinds of decisions that have to be made. I suggest that if the hon. member for Rosedale is going to assume responsibility for knowing what the people of Canada feel about these problems and for bringing it to the attention of the house, he will have his hands full for a little while.

There is another thing that worries me more than anything, and I think some of my friends in this house and some backbenchers in all parties are not aware of exactly what rights we are talking about here. I am a little worried that decisions are going to be made by this government without any regard for the wishes of the people of Canada. I indicated earlier in my remarks that I believe that the big problem facing our society today is to be able to make decisions that have been arrived at as a result of knowledge of the needs of the people. Any government that is not willing to listen to what the people want and to listen to the voice of the people from all parts of Canada is not interested in making decisions which are of practical benefit to the people but rather is more interested in making decisions which will perpetuate its existence in office. I am a little worried that before the next four years are up changes will be made to the B.N.A. Act and elections might be abolished.

People generally can be excused for not fighting for the rights which were gained by our forefathers down through the ages. But there is absolutely no excuse for a member of the house not fighting to preserve those rights. All of us here take great pride in saying we will not let the rights we do have go out the window.

I wish to say in closing that I am a little disappointed at the fact that the very simple amendment to the report of the procedure committee which was placed before the house last Tuesday was not accepted. I believe the government should have been aware of the fact that they were bringing in a controversial standing order 16A and I am sure they are now, after the last several days of debate. If the government house leader were not aware of the fact that this standing order is not in accordance with our rules then he would not have allowed the Minister of Agriculture (Mr. Olson) to apologize for its existence last Friday afternoon, and yet this is exactly what the minister did. He tried to move an amendment to it and he apologized to the house for the standing order. It is as if he offered a candy to the house and said I am sorry, we made a mistake. He went so far as to indicate

that the government is ashamed of what it has done. Why does the house leader not stand up and indicate to the house that we should get on to more important things because we have lots of work to do? We have had lots of work to do since last spring when the government decided to call an election, and yet we took five months off. That was a fairly lengthy holiday, if one may be permitted to refer to that period as such. All of a sudden we come here and are supposed to be ashamed of ourselves because we are not putting legislation through like a sausage factory. We have only passed eight or ten bills but we had five months out of session.

Why does this government not accept the amendment of the Leader of the Opposition? All it says is that it is a vote of confidence in many parts of the report of the procedure committee but a major part of it has to be referred back to the committee. Why does the government not assume its responsibility and stop wasting the time of the house? Let us get down to the work which awaits us and let the government accept its responsibility for governing this country. Let us not take cover under a standing order such as standing order 16-A which will drag out the debate during which time the government will sit back and refuse to govern the country, a responsibility which it has not assumed very well. Let us not allow the government to drag in this red herring—and I am aware of herrings, coming as I do from the Atlantic region. We are saying to the government that they should accept the amendment and get back to governing the country. They should stop wasting our time because we have important problems which need to be solved.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty pursuant to standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Surrey (Mr. Mather), Highway Safety—inquiry as to safety standards for tires; the hon. member for Broadview (Mr. Gilbert), Consumer Affairs—application for rate increases by Bell Telephone; the hon. member for Hamilton-Wentworth (Mr. Gibson), Sports—hockey—interference with freedom of choice of young players.

Construction of Fundy Trail

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

HIGHWAYS

SUGGESTED CONSTRUCTION OF FUNDY TRAIL

Mr. Charles H. Thomas (Moncton) moved:

That, in the opinion of this house, the government should consider the advisability of giving immediate consideration to the provision of special financial assistance to the provinces of New Brunswick and Nova Scotia for the construction of the Fundy Trail from St. Stephen, New Brunswick to Yarmouth, Nova Scotia, using existing roads where possible, and assisting financially in connecting existing roads in order that a scenic highway be available to aid in the promotion of the tourist industry.

He said: Mr. Speaker, in opening my remarks I should like to refer briefly to the last few words of the resolution which read as follows:

—in order that a scenic highway be available to aid in the promotion of the tourist industry.

These words represent the crux of the resolution and my purpose in bringing this motion before the house. The purpose of the resolution is to attempt to persuade the federal government, in co-operation with the provinces of New Brunswick and Nova Scotia, to take the necessary measures to develop the Fundy trail as a tourist attraction which will greatly enhance the economic position of these two provinces. What is the Fundy trail? It is nothing new. For more than 50 years imaginative people have envisioned a 550 mile specially developed highway skirting the Fundy shore from St. Stephen, New Brunswick, to Yarmouth, Nova Scotia. It would traverse some of the most breathtaking scenery on the North American continent. It would open up areas of historic significance, places where Canadian history was born such as the ancient French forts of La Tour and Beausejour; the land of Evangeline immortalized by Longfellow, and Blomidon and Tantramar, the land of the famous Fundy tides. These are places that have an irresistible appeal for tourists, both from Canada and the United States.

• (6:00 p.m.)

The Fundy vacation trail when completed would be 550 miles of pastoral beauty and magnificent seascape graced by dozens of locations enshrined in history, two cities, 15 towns, 350 communities and 490 miles of beaches, inlets and coves washed by the

world's highest tides. The trail will trace the entire bay of Fundy shore between St. Stephen, New Brunswick, and Yarmouth, Nova Scotia, its length halved between the two provinces. Its terminal points will be joined by two ferry services.

Developing the Fundy vacation trail means a long-term project, an immense investment and rich benefit, not least during the period of its construction, to the locales through which it will pass. To bring the trail as it now exists up to promotable standards by improving or diverting roads already built and linking them with new highways will cost Nova Scotia and New Brunswick an estimated $25 million. Viewed as a total concept, it may represent an investment of $100 million. The trail's development will inject financial adrenalin into areas in which it is much needed. It will stimulate large, localized capital expenditure. It will breed wide employment opportunity. It will give rise to commerce, particularly that associated with recreation, boat building, sports and resort development, dining and accommodation facilities. It will boost municipal coffers through additional tax revenue available from tourist accommodation services operating for a longer period of the year.

But it is the tourist boom that offers the Fundy vacation trail its most attractive potential. The influx of visitors into both Nova Scotia and New Brunswick has swelled during the last five years. The measure of the Fundy vacation trail challenge is the scope of its potential: it will be within easy reach of both American and Canadian travellers and is seen as the subject of a May to November season.

Let me again refer to the last sentence of the resolution in which I point out that this highway would basically be an aid in promoting the tourist industry. Right now let me clear up any misconceptions that have arisen that the Fundy trail is being advocated simply as another highway for transportation purposes. This view has been put forward by New Brunswick highways minister, Andre Richard, and on these grounds he has dismissed any immediate consideration of the project on the basis that other highway improvements are more urgent. The minister has missed the point. The Fundy trail is desirable not as just another highways system but as an addition to our highways system which would lead to a vast increase in tourist potential and an attraction of more dollars to the maritime economy.

[Mr. Thomas (Moncton).]

The Fredericton *Daily Gleaner* in an editorial in the December 3, 1968, edition had this to say:

> Highways Minister Andre Richard says in a speech at Moncton that the war on poverty must take precedence over all other measures to improve the maritimes. Projects such as the New Brunswick-Prince Edward Island causeway, the Fundy trail, the Chignecto canal, the Corridor road across Maine, would be highly desirable, he says, when considered on an individual basis. "But considered in total, they would immediately bankrupt any society."
>
> We agree with Mr. Richard that poverty should have top priority. Through the years we have never departed from that concept. But can poverty be cured without introducing industry? And how can industry be introduced without the implementation of projects to pave the way for it?
>
> We disagree with Mr. Richard where he fails to distinguish between expenditure and investment. We believe that investment in certain great public works projects would yield a rich return. We believe that it would not be spending wealth, it would be creating wealth. And there is the fundamental difference in the two philosophies.
>
> The Fundy trail would be an immense attraction to the tourist industry which could be increased if we could interest the great population to the south of us to come to this area.

This government has pledged itself to the correction of regional disparity. We are all aware of the problems of the Atlantic provinces—unemployment higher than the national average and underemployment because of lack of job opportunities. We realize the fact that we are at a great disadvantage in competing on the Canadian market because of our location and our distance from the highly populated areas. But this very handicap can become our greatest asset. Because of our very lack of industrialization and our underpopulation, this area has an irresistible appeal for the millions of people living in the heavily populated areas of Quebec, Ontario and the eastern United States. We are in the happy position of being next door neighbours to one of the biggest tourist markets on the North American continent—the state of New York and the New England states. These areas have become so congested that we are in a wonderful position to attract this tremendous tourist potential to the Fundy area.

The Fundy trail should not be confused with any express highway program. It is an opportunity for both Nova Scotia and New Brunswick to join in a dynamic and further development of the tourist industry of these provinces. Tourism today is more than big business; it is a gigantic self-help program capable of producing highly lucrative returns solely in the public interest. The Fundy vacation trail would be a tourist magnet. The trail

would be an impetus to the employment of labour throughout the Atlantic provinces and would use locally made supplies and material. The Fundy vacation trail is the key to an improved standard of living and a better economic future for the Fundy folk and their families.

What can this mean? Tourism today is our second largest industry, second only to our forest products in bringing in foreign dollars. If it were not for these dollars from the tourist trade, our balance of payments with the United States would be in serious imbalance. In the present year some 2,800,000 people visited the province of New Brunswick alone and left behind $87 million. The tourist industry in Canada must continue to grow and remain healthy.

A recent study in the United States analysed the growth of tourism there. It concluded that increased leisure, increased incomes and increased mobility accounted for only half of the increase in tourist usage. It appears that some of the conditions of an increasingly urban life are adding to the number of North Americans who seek some part of their pleasure out of doors.

• (6:10 p.m.)

We can look ahead and predict a 30-hour week. We can look ahead and foresee the day when no family will have an income below the poverty line. We can see the day when the mobility of man is enhanced so that a journey half way round the world is counted as a week end trip. The technical capability is almost with us. The productive genius of man is almost boundless. His social management is less to be commended. We can foresee the man of the future with an even more urgent demand for outdoor recreation facilities. The combined post-war phenomenon of more affluence and disposable leisure time has given rise to accelerated public outdoor recreational demands which have placed radically increasing pressures not only upon our national parks and outdoor recreational space but on all other landscape resources as well. The problem of providing adequate parks and recreational and other types of open space has become one of the major problems in an accelerating urban society.

The 500,000 people in the immediate area of the Fundy trail have recognized the need and expressed overwhelming support for this venture. Cities, towns, municipalities, boards of trade and the press have expressed enthusiastic approval. Let me quote one or two of these endorsements. The first is from the Truro Daily *News* of June 16, 1966:

> The construction of such a trail would be of great benefit to the two provinces, Nova Scotia and New Brunswick, and if developed energetically and wisely will allow all communities to capitalize on what is now the area's largest industry. Such a project would not only give major impetus to the tourist industry but additional jobs would be created, as well as the possibility of the establishment of new industries.

My second reference is to the Moncton Daily *Times* of September 15, 1964:

> The 1964 tourist season now drawing to a close has been a record breaking one in point of throngs of American and Canadian visitors . . . The expansion of Fundy park is a project that cannot long be postponed, if its value and usefulness as a tourist mecca and popular outdoor rendez-vous for our own citizenry is to be maintained.

If it was urgent in 1964, Mr. Speaker, it is that much more urgent today.

Recognizing the need for such a project we may ask, how can it best be realized? I suggest that the federal government ought to take immediate steps to complete the unfinished portion of the trail between St. Martin's and Point Wolfe. The cost of this has been estimated at $12 million. Then action should be taken at once to enlarge the present Fundy national park which is the second smallest park in Canada. Lands should be acquired on the western side to develop new beaches and playgrounds and camping areas. The existing 29 trailer hook-ups are woefully inadequate to meet the increasing demand. Why, one trailer club in Moncton alone has over 100 members. Land is available at present and at small expense could be equipped with sewage facilities and trailer hook-ups which would more than double the present capacity. An excellent nine hole golf course attracts more players than can be accommodated. Plans should be made to enlarge it as soon as possible.

To complete the unfinished section of highway and to bring existing highways and bridges up to standard would require an expenditure of some $25 million. It is not for a minute suggested that this be done immediately, but I do feel that a ten-year program with a total expenditure of $25 million would bring at least another 200,000 tourists to the area. On the basis of figures now available this would bring in some $10 million of additional revenue. Surely this would be one of the best ways imaginable for us to bring living standards in the maritimes up to the level of the rest of Canada. The need for such a project has long been recognized.

Construction of Fundy Trail

Before closing may I refer to an editorial in the Moncton Daily *Times* of October 6, 1966, headed "Fundy Trail Should be Built". In part this is what it says:

The construction of the trail would involve an expenditure in the vicinity of $25 million and this is no mean sum. Nevertheless, the expenditure would be a worth-while investment. It would stimulate tourism, thus benefitting Canada as a nation, and it would lead to a tremendous expansion of tourist facilities in the affected parts of New Brunswick and Nova Scotia. The $25 million would generate many additional millions of dollars worth of building. The effects, both short-term and long-term, would spread through the areas' economy like ripples in a pond.

With every day of delay that passes the cost of the project will increase. The sound economy would be to embark upon this undertaking at an early date. Such a project would not be inflationary in this part of Canada for it is a well known fact —and the federal government has now recognized this—that the inflationary pressures which apply elsewhere in Canada are not operating here.

New Brunswick and Nova Scotia cannot shoulder the burden of building the trail themselves. Aid must be forthcoming from either the federal government or a federal agency such as the Atlantic Development Board. But the project must be tackled. Common sense demands it.

Mr. Guy Crossman (Westmorland-Kent): Mr. Speaker, I rise at this time because the matter now before the house is of considerable interest to me. The proposed Fundy trail, in order to cover the shoreline of the bay of Fundy, would naturally be partly in New Brunswick and partly in Nova Scotia, and be connected at the provincial border by the isthmus of Chignecto. As you approach the northern end of this isthmus you enter Westmorland county, part of the constituency of Westmorland-Kent that I have the honour to represent in this house. Since it is apparent that a segment of this trail would pass through part of my riding it is only natural that I should show interest in any undertaking, no matter how small or big, if it will contribute to the economy of my riding and province.

How many times in past years have I wished for some magic wand which would enable me to grant the many valid requests coming from all segments of our local industries—the requests of farmers for better marketing facilities and higher incomes, the requests of the fishermen, to whom one's heart really goes out when one sees their need for better docking facilities and services. It has been their lifelong dream to see these improvements accomplished. I am also thinking of transportation rates that will enable our small and few processing industries to compete with the big and far away centres. I also think with emphasis about our tourist industry, the future potential of which cannot be overemphasized.

Requests from these and many other areas come our way each day, and it is our duty as elected members of parliament to shoulder our responsibilities. Every hon. member, I am sure, wishes to find immediate solutions to problems and it is here, Mr. Speaker, that we face reality.

Before continuing with my remarks about New Brunswick's participation I wish to read an editorial contained in the Halifax *Chronicle-Herald* of February 26 which gives a clear indication of the priorities established by Premier Smith and his government, the members of which show responsibility in their decision. The heading is "The Fundy Trail", and the editorial says in part:

Premier Smith is reported to have made a most significant qualification to his official support for the building of the proposed vacation trail along the Fundy coastline of Nova Scotia.

Logan Barnhill, a member of the Fundy trail committee, said last week that Premier Smith had assured the committee of the provincial government's "solid backing" for the project. At an "opportune time", Mr. Smith was reported to have told him, the Nova Scotia government would give the project its full support, including financial aid.

• (6:20 p.m.)

"Opportune time" is surely a significant qualification. There is no doubt that the Fundy trail envisaged as a tourist highway running from the United States border along New Brunswick's Fundy coast and then westward again along the Nova Scotia coastline is a most desirable objective. At present, so much of the Fundy coastline on both sides of the bay, and so many of its beaches and small harbours, are inaccessible. Certainly on the Nova Scotia shore, the coastline often can be reached only by dirt roads. The scenic beauty of much of the area can be enjoyed only by a few patient and resolute motorists.

A Fundy trail might do for southeastern New Brunswick and the Minas basin and Annapolis valley areas of Nova Scotia what the Cabot trail has done for non-industrial Cape Breton. It would be a boon to tourism, the motel and catering industry, and to the economies of the communities along its route.

Yet today is not the appropriate time to start work on the Fundy trail. This province's trunk road system is now being transformed in several regions. New, high-speed highways are being built, at high cost, between Halifax and Truro along those portions of the trans-Canada Highway not yet modernized, between Halifax and the valley towns, and along the south shore.

Rightly, priority has been given to these "bread and butter" highways. The appropriate time for starting work on the Nova Scotia stretches of the Fundy trail will be when the major highway program has been completed and not before.

When one looks at the New Brunswick highways map it is immediately apparent that

only the southwestern part of the province has highways completed to modern standards, namely, the trans-Canada highway leading from the Quebec border through Woodstock, Fredericton, Moncton to the Nova Scotia border and also to the P.E.I. ferry crossing at Cape Tormentine. One finds also the highway, in part finished, from St. Stephen to Saint John, and the highway from Saint John to the main trans-Canada at Sussex. The highways just mentioned cover in part only the requirement in the south and west areas. It will also be noticed that the eastern seaboard from Moncton to Caraquet and the northern part from Caraquet to Campbellton and then to St. Leonard, including villages too numerous to mention at this time, also the interior from Newcastle to Fredericton, are all served today by an arterial highway system far below the standards necessary to meet the present day traffic. These major arterial routes have the most basic effect upon economic development, and they constitute the highest priority for highway system development.

The effect of an adequate highway system on the cost of transportation with particular reference to railway freight charges was a subject of comment by the McPherson Royal Commission on Transportation. The report noted, and I quote:

> Expansion of highways has not been uniformly extensive in all regions of Canada and this fact explains some of the disparities which exist in freight charges among regions. In recent years it has become characteristic of Canada's transportation system that areas which are most heavily populated and industrialized have been able to afford the development of highway networks which, with the accompanying growth of motor transport, has forced the railways to lower their rates in these areas in response to competition. At the same time, those regions less generously endowed with the prerequisites for the rapid growth of a highway system have experienced not only a relative absence of competitive railway rates but also the burden of an increasing share of those railway expenses which can no longer be obtained from rail revenues in the competitive sectors.

The Fundy trail, were it to be constructed, would be a scenic highway and, as it is generally known, highway construction is essentially a provincial responsibility. Simply because the Fundy trail would cross provincial boundaries and involve more than one province does not make it, ipso facto, a concern of the federal government. It would remain the responsibility of the two provinces concerned and if they wished to make it a joint provincial responsibility, that would be a matter for their determination.

The two provinces, like the federal government, have established priorities for spending, and the provinces know full well that the federal government has limited funds and that federal money expended on one project may mean that money is not to be available for another one. So it is understandable that neither province has yet approached the federal government to provide assistance for the construction of the Fundy trail.

The federal government, through the Department of Public Works and the Atlantic Development Board, has committed substantial sums of money for road and highway programs in Nova Scotia and New Brunswick. The development of these programs was in each case the consequence of joint federal-provincial planning which followed agreement on common priorities.

On November 4 of this year the Minister of Public Works (Mr. Laing) announced in the house that under the trans-Canada Highway agreements construction in all provinces had already been approved for a total cost of $1,196 million of which amount $90,900,000 would be spent in Nova Scotia and $121,900,000 in New Brunswick. Thus far the federal government has actually expended $724,400,000 on the program; of this $60,900,900 was spent in Nova Scotia and $86,400,000 in New Brunswick. In other words, 20 per cent of all federal money expended on the trans-Canada highway has been spent in Nova Scotia and New Brunswick, provinces which contain less than 7 per cent of the country's population.

The federal share in the whole program thus far represents a cost of about $58 per Canadian whereas the share of the federal program completed in Nova Scotia and New Brunswick represents a cost of almost twice that, $106 per resident. So looking at the federal government's involvement in the construction of the trans-Canada Highway in those two provinces, wherein the Fundy trail would run, it is obvious, no matter what basis of comparison is chosen, that relative to elsewhere in Canada the involvement is too high.

In summary, the Department of Public Works has spent $147,300,000 in the two provinces; committed and yet unspent by the departmenf for the Trans-Canada Highway program is an additional $65,500,000.

Now let us turn to see the highway program of the Atlantic Development Board. In 1964, the A.D.B. initiated a program to upgrade and, in some cases, to construct main trunk highways in the four Atlantic provinces. Since that time the board has continued

and expanded this program. Costs have been shared with the provinces and while the relative shares have varied from agreement to agreement, the board has always borne 50 per cent or more of the costs. For the portion of the trunk highway program in Nova Scotia, the board has committed $19,500,000; a similar amount has been committed for New Brunswick. As of October 31, 1968, a total of $27,471,988 had been spent in the two provinces, $11,324,889 in Nova Scotia and $16,147,099 in New Brunswick.

In addition to its investment in highway and road programs being administered by the Department of Public Works and the Atlantic Development Board, the federal government has made further expenditures for the same purpose through some other departments. For example, Nova Scotia and New Brunswick will see in this fiscal year the completion of the roads to resources program, a program of the Department of Energy, Mines and Resources. Invested in each province, essentially for tourist roads, will be the sum of $7.5 million. Tourism is also being enhanced by the Department of Indian Affairs and Northern Development through its program of building highways and access roads to serve the country's national parks. Not to be forgotten, either, is the Department of Transport which has also expended money on roads in the maritimes.

• (6:30 p.m.)

Instead of trying to recount every dollar spent by the government of Canada in the two provinces, I merely wished to demonstrate that the government has spent and is spending considerable amounts for road and highway construction there. Before the federal government even now, there is a joint submission from the four Atlantic provinces that the government contribute 90 per cent towards their ten year highway program, the total cost of which will be in excess of $900 million. It is against this backdrop of information that the proposal for additional funds for the Fundy trail must be viewed.

Having put on the record a brief outline of the federal effort in the construction of highways for New Brunswick, in comparison with other provinces, I think it would be of interest to see the provincial effort. The last fiscal year for which I have reliable statistics is 1966-67. In that year New Brunswick invested $75.90 per capita on the highway system, against an average expenditure by the other provinces of $50.57 per capita. New Brunswick has the second highest per capita expenditure of all the provinces.

It may be of greater significance to consider the proportion of the provincial budget that is invested in the highway system. New Brunswick allocated to the highway system the highest percentage of net provincial budget of all Canadian provinces. I want to be very clear on this matter. I am discussing the expenditure of provincial dollars exclusive of federal contributions. During 1966-67 we spent 32.5 cents of every provincial dollar on the highway system. The average of the provinces to the west of New Brunswick was 16.7 cents, about one half of our investment.

I think I can say with some pride that the government of New Brunswick and its citizens have made a massive effort to solve our transportation problems and with the continuing co-operation that exists between the good offices of the federal and our provincial government I have full confidence that the people of New Brunswick will see these accomplishments realized, especially now that we have a federal minister and department charged with the responsibility of solving some of the problems in regions such as ours. I can tell you, Mr. Speaker, that I will do everything possible on my part to work in complete co-operation with this minister, to see that this will be achieved.

In closing, Mr. Speaker, I would like to bring to light an editorial from the Moncton *Daily Times* of April 26, 1968. It voices my sentiments with respect to one of my very good friends who was mentioned by the hon. member for Moncton (Mr. Thomas) and who is also mentioned in the editorial, and it says:

> This newspaper is just as solidly in favour of the principle of the proposed Fundy trail as it ever was, but we feel that its cause was hindered rather than helped by the intemperate remarks made about New Brunswick highways minister Andre F. Richard by the general chairman of the Fundy trail committee, Mr. Mitchell Franklin of Saint John, during a meeting held in the Hillsborough regional High School on Tuesday night.
>
> Use of such uncomplimentary terms as "stooge", "obstructionist", "saboteur", to describe an elected minister of the crown was highly uncalled for, to say the very least. Mr. Franklin is not helping to hasten the ultimate realization of the Fundy trail project one little bit by resorting to tactics such as this. An approach of this kind could very well have the opposite effect—of causing the project to recede even farther into the future than it is now. Differences of opinion are one thing—the right to voice them is part and parcel of our free democratic process—but they should be tempered with much greater respect and understanding than was shown in this instance, if the right of free speech is to be kept on the high level plane that we have come to expect of our public speakers.

This newspaper is fully convinced, as is Hon. Mr. Richard too, that the construction of the Fundy trail along the New Brunswick and Nova Scotia shores of the bay of Fundy and the other bays leading into it is capable of conferring incalculable benefits upon the tourist trade of the maritime provinces. But this project is going to cost a very large sum of money, and after all, there is such a thing as priorities in this, as in many other things on which taxpayers' money could be spent.

The New Brunswick minister of highways never has come out in opposition to the Fundy trail—he has merely pointed out that his province, for the moment, has a large backlog of urgently needed, year-round highway construction projects that must be tackled quickly if this province is to progress economically in the manner in which it should. High on this priority list is a desperately needed new highway built to trans-Canada highway specifictions between Moncton and Campbellton. The present old road between these two cities has been the scene of a large number of the many fatal road accidents which have been plaguing this province for some time past.

The Acting Speaker (Mr. Béchard): Order. I regret I have to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Is this agreed?

Some hon. Members: Agreed.

Mr. Crossman: I have just one more paragraph to quote.

It should be remembered as well, that there is only so much money to go round—it doesn't grow on trees, as Mr. Franklin seems to suggest. This also is a time when all governments are retrenching on expenditures in the face of a continuing contraction of the national economy. Thus Mr. Richard and the government as a whole can find no justification at the present time for proceeding with construction projects other than those that come in the category of dire necessities.

In conclusion, Mr. Speaker, may I say that I have the highest regard for the minister of highways in New Brunswick, and under his able administration I am sure that if we follow some of his suggestions in the choosing of priorities we will certainly be able to build solidly for the future and continue our efforts in co-operation with the federal government.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I want to support the motion of the hon. member for Moncton (Mr. Thomas) regarding the Fundy trail. I had intended in a perfunctory way to state that I think he deserves credit for bringing this motion forward and that I heartily support everything he said. But the hon. member for Westmorland-Kent (Mr. Crossman), who has just taken his seat, causes me to mention two or three matters in order to get at the basis of certain misconceptions. I certainly do not want to debate what the previous speaker said because really his whole speech could have been delivered in a provincial legislature rather than in this federal parliament. But his speech does give me an opportunity to state that there are many misconceptions about the Fundy trail and the responsibility for it.

I think most of them centre around the government of New Brunswick which has failed to see the great potential in the Fundy trail. Members of the provincial government have not had the vision with respect to this marvellous project that we hope hon. members of this house will have, and when I speak of this marvellous project I am thinking of the very colourful language used by the mover of the motion.

• (6:40 p.m.)

The first misconception is with respect to the provincial responsibility, and the second is that this road or trail would be used only during a certain time of the year, that is, three months during the summer tourist season. This project was brought forward some 20 or 25 years ago. Delegations came to Ottawa to discuss it. I recall that the first person who had a responsibility for and an interest in this was Hon. Milton F. Gregg, a minister of labour and minister of veterans affairs in those days. Since that time this matter has grown in interest and, as I say, has been debated, although perhaps not as extensively as it has been today. I believe it was debated mainly during consideration of the estimates of the Department of Indian Affairs and Northern Development, which has the responsibility for national parks.

The reason I became interested in this is that in New Brunswick we have a very attractive national park. As everybody knows, it is one of the better family recreational parks in Canada, although it is small when compared with other national parks. I believe it is the second smallest in Canada. We feel that if we are to have the advantages which a national park of Canada should have, the boundary of the park must be increased. Alongside this park there is the land which has been referred to today. This is old timber land. However it has no further use as timber land, and has no other value in the foreseeable future.

This land could be added to the park without much difficulty or expense on the part of the provincial authorities. In that way the

federal government would then become responsible for a highway or a trail through the park. In other words, we are not fighting over provincial moneys; nor are we talking about federal moneys that would otherwise go into highways in another manner. We are simply talking about extending the area of the park. In that way, with the resources available in the Department of Indian Affairs and Northern Development, a very substantial and inexpensive part of this highway could be built.

In all the time that I have debated this matter I have never said that the provincial government should provide $50 million of their very scarce highway funds for the building of a Fundy trail, or a super highway down the bay of Fundy. I hope this will be clear, because this misconception is the biggest red herring I have ever seen dragged around in a debate in my life. I think everyone agrees that this is a situation where the government should take some of the moneys available in different ways for park expansion, and use it for this purpose, so that so far as New Brunswick is concerned a very substantial part of the highway could be started.

This is a project which could be extended over the next 30, 40 or 50 years. It could be done in the same way the western parks were developed. We might ask how much money has gone into the parks of Jasper and Banff. Millions of dollars have gone into those parks, and they are beautiful. As Canadians we are proud of those parks. But I suggest we should do something like this in New Brunswick, and that is the reason I am supporting this measure.

Another misconception is that concerning the suggestion that this park, and the highway, would be used during a very short tourist season. I believe there is a very great future in New Brunswick in winter sports. Money is being spent for this purpose in many of our other national parks. It is being spent in the national park in Nova Scotia to develop opportunities for winter recreation. We believe that in New Brunswick we are entitled to have a full assessment of the skiing possibilities. An assessment was made in a minor way, but a complete assessment is necessary in respect of the Fundy National Park, and this should include the potential for winter activity. If this were done, it probably would be possible to make use of the park facilities which have been put there, and are now being developed by private enterprise. In this way the park could be used on a year around basis. The facilities which are there, and in many other parts of the area, could be developed.

I commend the hon. member who is new to the house for coming forward with this measure, one which would mean so much to his area and the southern part of New Brunswick. I believe he deserves great credit for standing up and putting this forward in the house. The hon. member for Westmorland-Kent (Mr. Crossman) is a good friend of mine, but I am sorry that he pulled this great red herring over the Fundy trail, because I think this is a project which can stand on its own four feet, without any of the bickering which goes on about it in the provincial legislature. It is a year around proposition, and I hope that all hon. members who are here today will put their minds on this beautiful park of undeveloped New Brunswick and consider this matter solely on its merits, in so far as we are responsible for it here in the way I have outlined. Then I know everybody will be pleased, as well as the hon. member for Moncton (Mr. Thomas) and those of us who support the proposal, if we obtain at least 200 new supporters of the Fundy trail.

Mr. Herb Breau (Gloucester): Mr. Speaker, I am very happy to take part in this debate. First of all I should like to congratulate the hon. member for Moncton for bringing this very important matter to the attention of the house. It is one which should be considered very seriously, first of all because it requires a good deal of planning and because there is a large amount of money involved. Secondly, the people of the country, and of the Fundy area, have shown much interest in this project. I believe we should encourage the people to show their interest, because no doubt this is what the government means when it says it wants the people to participate.

I must say, now that I have heard the hon. member for Saint John-Lancaster (Mr. Bell) speak, that I am a little confused. I believe he should have conferred with the hon. member for Moncton before he said he thought the Department of Indian Affairs and Northern Development should do this and that, to carry out a federal responsibility. The notice of motion I have before me reads:

That, in the opinion of this house, the government should consider the advisability of giving immediate consideration to the provision of special financial assistance to the provinces of New Brunswick and Nova Scotia for the construction of the

Fundy trail from St. Stephen, New Brunswick to Yarmouth, Nova Scotia, using existing roads where possible, and assisting financially in connecting existing roads in order that a scenic highway be available to aid in the promotion of the tourist industry.

So, I think it is very clear that the question here is not in respect of a national park but of building a highway. The way in which I should like to approach this, first of all, is to agree with the hon. member for Moncton, that we should think about this from an industrial, and not necessarily from the highway point of view. First of all I must mention that, regardless of what else it is, the highway is still a public utility. It is still a means to an end; it is a highway to go to some place. It is not just by chance that in Canada highways are a provincial responsibility. However I am not attempting to say that the federal government should not consider this question, if it would be beneficial to the tourist industry. If so, it should be considered, because this government has committed itself to looking after areas of regional disparity.

• (6:50 p.m.)

The government has committed itself to an effort to activate the economy of New Brunswick and the other Atlantic provinces. That is the reason it is important to look at this from an industrial point of view. First of all, because of the amount of money involved, when we consider it from an industrial point of view we must look at the priorities. We must say, first of all, in respect of industrial development whether we should give special emphasis to tourism, secondary manufacturing, mining or to the fishing industry, which is in a difficult position today because of a poor market. I think all these things are important. We must decide within the promotion of industrial development where tourism stands. I have been in some areas where the tourist industry is very important; for example, California. The people do not go there only because there are good highways, they go because there are other attractions there.

I could mention such other areas as Nassau, Bermuda, Jamaica and Porto Rico. People do not go to those places because there are good highways. There must be other attractions for them. We build highways when we have excessive traffic; we do not build highways to create traffic.

I think the Fundy area is most inviting; it certainly is picturesque. If there is need of a highway, and there is an overflow of traffic through that area—and there might be one day—then I think we should consider building this highway. However, I do not think we should decide to build a highway only with the idea of promoting the tourist industry.

The hon. member for Moncton (Mr. Thomas) said that the Fundy trail would probably attract 200,000 tourists each year, but he has not said where he got this figure—whether it is a guess, the result of some economist's work, or a figure calculated by a specialist in the tourist industry. Perhaps it is a figure suggested by the people of the Fundy area; I do not know.

Let me point out that P.E.I. is a very attractive spot, one of the most beautiful islands in the world; yet it attracts less than 500,000 tourists a year. I wonder if this Fundy trail would attract that many tourists. Where would they come from? Would they be the tourists who now visit New Brunswick or those who visit the Cabot trail? I fail to see how the construction of this highway would bring 200,000 people to the area.

The hon. member for Saint John-Lancaster (Mr. Bell) has suggest that this highway could be used all year round. I agree it could be used all year round, but he has not specifically stated why the people would visit there in the wintertime. I understand there are no hills in the area on which ski slopes could be developed. I do not understand why people would be attracted to go to the Fundy area in the wintertime, and I say this because I understand the tourist industry in New Brunswick is handicapped by a short season. There are only two months during which people would be attracted.

In the last few years the trend has been for people to travel with camping trailers. This trend has reduced the amount of revenue in any area, because people are not taking advantage of existing lodging facilities. If an area has a park which people visit, even though there may be a million people each year, how much revenue goes to that local area? New Brunswick, it has been suggested, obtains $77 million from tourists each year, and it is said, further, that Nova Scotia obtains $60 million. But to this point in the debate no one has said how much money is obtained by the local areas from tourism.

It may be that if we had this highway in the Fundy area we might have ten service stations, ten restaurants and ten motels or hotels. How much employment would this create? Some people might argue that the building of the road itself would create

employment, but if we consider our experience we will realize that the major expenditures involved in highway construction can be related to the leasing of equipment, and the purchase of raw materials and finished materials. Very little goes to the local people. A few labourers would be hired, but from a construction point of view we cannot say this would create many jobs.

I know there are other hon. members who wish to speak and I shall conclude my remarks quickly. Both $25 million and $12 million have been mentioned. Perhaps the $25 million would relate to the whole project, and the $12 million to the part from Saint John to St. Martin, or to Fundy. Before this house decides to spend even the $12 million, I think we should consider the revenue which will be created. It is not very clear how much money the tourist industry will bring in. I am not sure that it is clear whether this extra revenue will go to the Fundy park area, Saint John or the province of Nova Scotia.

Whenever it is found that an area has a tremendous flow of tourists it is usually because there is something more than a good highway to attract them. The government should not go ahead with this project on the basis of its being simply a highway project. However, if a future need develop, through more people going to the area, this highway may become necessary.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, as a Nova Scotian let me break into this New Brunswick love fest simply to indicate that not all of the Fundy trail would be constructed in New Brunswick. At least half of it would be constructed in Nova Scotia. I support this for two reasons. This is a natural way to build up what we have, and if we are going to deal with the problems of Atlantic Canada, surely we should do so on the basis of what is there. There is a potential for tourism.

Since part of this trail would go through the northern part of my riding I should like to say it would provide an opportunity to combine another great plan with the Fundy trail, and that is a crossing of some sort—a bridge or causeway—over the Shubenacadie river, thus providing a great land link between Windsor and Truro, which is sorely needed in the province.

There is one tourist facility in the area which everybody should see. I refer to the W. D. Lawrence memorial at Maitland, where they have the only wooden bedspring in North America. I do not want to interfere with the very important decision which I am sure the house will now come to in respect of this resolution.

[Mr. Breau.]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, I share the concern of the last speaker and I only wish there was more time for all of us who are interested in this matter to—

The Acting Speaker (Mr. Béchard): Order, please. It being seven o'clock this house stands adjourned until eight p.m.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, 1968, be concurred in, and the amendment thereto of Mr. Stanfield. (p. 3762).

Mr. Craig Stewart (Marquette): Mr. Speaker, it is with great feeling that I enter this debate. Being a new member and backbencher, I have listened to the debate with great interest. When the people of Marquette constituency sent me to Ottawa as their representative, I came here with great expectations and hope that this was to be the beginning of the just society, the beginning of a new era for Canada and Canadians. After the report of the procedure committee and the proposals of the government, I am alarmed and disillusioned, not only for the future of Canada but for the future of the House of Commons. We all realize that certain reforms have to be made in the House of Commons. All parties and members agree with this. But the extent to which the government proposes to change the rules is, I believe, an infringement of the rights of members of the house.

Mr. Speaker, I will mention the points which concern me. I appeal to the backbenchers on the government side to consider seriously the implications of these proposals. It has been pointed out that the government house leader could limit the debate to two

hours. I found it most interesting when the hon. member for Sudbury (Mr. Jerome) was asked whether, if a bill affecting mining in his area came up, he would be able to participate if there was a two-hour limit on debate. The hon. member was certain that through the good will of the government he would be allowed to participate in the debate. I ask: What would happen if the bill affected all mining areas of Canada, which would mean that the ridings of many members would be affected and they might want to speak? This would be impossible with a two-hour time limit. It will be said that these members could speak out at committee. This sounds good; but, Mr. Speaker, my experience with committee meetings is that often two or three committees are meeting at once—I mean committees which affect one's riding—and it is impossible to attend them all. In my short time here this situation has arisen more than once.

There is another point which alarms me about committees. We know a member can attend any committee meeting he chooses. However if he is not a member of the committee he can ask questions, but he cannot vote. Under this plan I feel that my constituency, or any constituency, is being discriminated against, because if these proceedings were left in the house any member could participate in the debate and vote. Again I stress that I am in favour of reform. But where does it stop?

This government is continually shrugging off the rights of opposition members. During this session we have had the Prime Minister (Mr. Trudeau) introduce his now famous roster system for the presence of ministers in the house during the daily question period. Hardly a week goes by when it is not pointed out that this system is not only unfair but is not working; yet the Prime Minister will not change it. Originally he said we would try this idea to see how it worked. Any time he was questioned about it, we were given a shrug of the shoulders and a flippant answer.

I remind backbenchers on the other side of the house that some day they will be in opposition and will find how frustrating it is to want to raise an important question, which requires an answer that day, only to find that they cannot ask it because it is not the ministers day designated to be in the house. Or maybe it is a Friday, and because you cannot get the Speaker's attenion—and I fully realize the problems the Speaker faces in this regard —you are not able to put the question. Quite often it is the following Wednesday before the particular minister is in the house. This means it has taken six days to get an answer to your question, when it should have been given the day the question was asked. Yet, Mr. Speaker, this roster system continues.

This session started off with the Prime Minister silencing his cabinet ministers. Next the government set up the roster system for the attendance of ministers. The next step was for the Prime Minister to bypass his own members and set up his own lines of communication or, as the right hon. member for Prince Albert (Mr. Diefenbaker) called them, Trudeau's snoop troops. Now the Prime Minister wants to silence the opposition. Where is all this leading? I ask, what will be next? With the growth of staff in this government, and the number of executive assistants overflowing into the diplomatic gallery, perhaps the next step will be that the government will take over the press gallery.

Again I stress that we are in favour of reform; but we are not in favour of proposed rule 16-A. Rule 16-A would allow the government house leader to say how long any debate would run, and this is against our whole democratic system. Could we on this basis operate our school boards, our municipal, our councils, our church groups, our service clubs or any organizations which are so much a part of our life? They could not operate on this basis, and neither can parliament.

Mr. Speaker, during this debate hon. members on the government side have said that the opposition are holding up legislation. As an example, they claim that the three agriculture bills took three weeks to pass in the house. Why did they take three weeks? It was because the government would not bend in any way or allow amendments to those bills. What kind of bills did we end up with? The number of complaints I have received with regard to cash advances on farm stored grain confirms that this new act discriminates against the small farmer on a six bushel quota. We repeatedly asked the government to tell us the interest rates under the Farm Improvement Loans Act and the Farm Credit Corporation Act, but it replied that these rates would be set by governor in council and we need not worry. We now have the new interest rates. Under the Farm Improvement Loans Act the interest rate went from 5 per cent to 7½ per cent, and under the Farm Credit Corporation Act it went from 5 per cent to 7¾ per cent. If the government members think this is good legislation, I ask

them to come with me to western Canada and talk to the farmers, and they will soon find out what the farmers think of the legislation.

I maintain that if any government proposes good legislation, and the opposition delays it by needless debate, the Canadian voters will pass judgment at the next election. My point is that if the government presents good legislation it will pass in any parliament with limited debate. The Prime Minister says we are not in touch with the people, and the people want parliamentary reform. I should like to quote from an editorial which appeared in the Brandon *Sun* of September 12 this year. It shows the concern of people over the proposed rules changes. I quote from this newspaper as follows:

> In addition, however, there are rather alarming reports about government efforts to streamline house procedures. Without question procedures sorely need streamlining, but if reports such as that carried earlier in the week by Peter Newman are accurate, the government is carrying things too far.
>
> It must be remembered that parliament is moving into a new phase, a phase of majority government for the first time in over five years. Some restrictions on debate which were considered necessary during the period of minority government are potentially dangerous when the government is in a strong majority position. The opposition can no longer defeat the government. Therefore its only weapon is debate, debate aimed at bringing government misdeeds to the attention of the public. In a very real sense the public must be a check on the government, and the opposition represents a sizeable percentage of the public.
>
> The new rules have not been made public. When they are, they should be examined carefully. Efficiency at the expense of full discussion should not be parliament's goal.

• (8:10 p.m.)

It almost seems from the government's stand on 16-A that they want to make a sausage factory out of parliament, so far as the passing of legislation is concerned. The question has already been asked how the government feels it can prepare good legislation to present to the House of Commons and keep it operating on an assembly line basis. I think this point deserves serious thought. Judging from my short experience here in the house it would seem to me that it cannot be done.

May I stress again that we are in favour of procedural reforms, but we do not support rule 16-A. Government members say the voters have given them a mandate and they are a majority government. This is right. However, they must remember that the opposition groups are united on this point, and although we are not the government we represent more than 50 per cent of Canadians.

The hon. member for Peace River (Mr. Baldwin) pointed out the other day that we in the opposition are united on this point, and we represent the majority of the Canadian people.

I do not want to labour this point, as there are many hon. members who feel as strongly about rule 16-A as I do, and who want to speak on it. May I again remind the backbenchers and any other hon. members on the government side who have not sat on the opposition side of parliament, that they should give long and serious consideration to all the aspects of rule 16-A because some day they will be in opposition and then they will have a better understanding of what this fight is all about. As the hon. member for Winnipeg North Centre (Mr. Knowles) has stated, you have been given a mandate to run the store for the next four years, but you must remember you do not own the store.

In closing may I say that we are in favour of reforming the procedural rules of this house, as I have stressed. However, so far as rule 16-A is concerned, we are not only fighting the government on this point, we are fighting for the rights of the Canadian people.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to begin by congratulating the hon. member for Marquette on having made his maiden speech on such a very important issue as the change in rules which will affect our parliamentary life in the period ahead. I think he has made his points very clearly and strongly, and his speech, I believe, has been typical of the speeches made in this debate and in the debate which is going on in the press throughout the country. I have been impressed by the sober and temperate tone used both in the house and throughout the country, because I believe there must have been a temptation to make sensational reading out of some of this material; yet this temptation has not been yielded to. I think people realize that this is a very serious matter and that we should be careful to deal with it responsibly.

It is not my intention tonight to make a detailed analysis of the rule changes in the proposal now before us, and for two reasons. First, this has already been done exhaustively and well, and I think we know now what the significance of the proposed changes is likely to be. Furthermore these proposed changes have been explained to us in the house by the best legal and constitutional minds here, and they in turn have cited other authorities

along legal, constitutional and historical lines. I want to say how much a great many of us appreciated the speech made by the hon. member for Fundy-Royal (Mr. Fairweather) this afternoon, a speech which was philosophical and historical and at the same time reflected a great depth of thought, and much reading and consideration of this whole problem.

Nor do I think there is any need to take up time justifying the necessity for updating the rules of parliament. All of us here, even those who have sat here for only a few months since the opening of this parliament, have become convinced of the need for change and of the fact that the machinery of parliament should be updated, and made more streamlined and more efficient. So I do not think there can be any argument on that point. Where the argument comes in is as to the method in which this updating and streamlining is to be carried out.

We in the opposition parties are of one mind. This may seem strange because we are not of one mind on a great many other methods of getting things done. But in this particular matter we feel sure that any changes, if they are to preserve the democratic character of this parliament, can be made only by agreement and consent of all parties in this chamber. Unfortunately the attitude of the government has been that they will listen to what we have to say, but then they will make up their minds; and we will have to take it because they have what it takes to make us swallow the new rules, whether we want to or not. We do not think that this is the way to make changes in a democratic parliament.

Somebody has already pointed out in this debate that there are two ways of achieving a totalitarian form of government, a one party monolithic government. One way is to ban all the parties but one. The other way is to permit the members of the parties to be elected to parliament, and then either to gag them at once, or gradually take away their facilities for expression and for bringing their constituents' ideas before the body of the house.

I believe that this is the method being followed in these proposed rule changes. We on the opposition side agree that this should not be done. There are two alternatives: Either the government believes that these rule changes should be forced upon parliament to make parliament work more effectively, or else they are trying to force them on parliament in order to bypass parliament altogether. We believe that the effect of forcing these changes on parliament will be to enable the government to bypass parliament altogether. We do not believe that this is permissible, and we would not be doing our duty as members of this house, we, who have had these democratic privileges handed to us, if we did not ensure that the essence of democracy is handed on to other people who will sit in this parliament long after we are gone.

The effect of rule 16-A is to bypass parliament. In the first place it gives the government the power to dictate to parliament because it gives them the power to enforce closure ahead of time. I would like to remind hon. members opposite of what happened in 1956 when, in the infamous pipe line debate, closure was applied, not before the debate began but after it had proceeded only a little way. When that happened, to put it in the simplest and most expressive language possible, all hell broke loose and parliament determined henceforth that it would not suffer again that crippling blow to parliamentary privileges.

The effect of the application of closure was to put the then existing government out of power. I want to warn this government that should it be so foolish as to insist on doing the same thing again only in an even more objectionable form, on applying closure before we even start the debate, the same fate will again overtake this government, because no democracy-loving people will put up with it.

An hon. Member: You are so right.

Mrs. MacInnis (Vancouver-Kingsway): I know I am right. Anyone who remembers the pipe line debate will not want to go through that again in a hurry.

That is the first thing that rule 16-A does. The second is to gag and silence the ordinary member. I do not want to use the term "back-bench member" because I think it implies a feeling of humility and a second rate status. But the ordinary members are important, no matter from what part of Canada they come. It is vital that they be given the opportunity to put the needs of their constituents before this body. I suggest that rule 16-A would gag, choke and throttle the private member whose constituents sent him here to do a job.

• (8:20 p.m.)

When the proposed rule 16-A is coupled with other developments that we have seen take place this fall, then I think the situation becomes ominous. For example, reference has been made to the roster system. What is the

roster system? It has the effect of removing on most of the days of the parliamentary week about half of the cabinet ministers, with the result that about half of the subjects which are raised receive no answer. The worst feature is that the only day on which we do have access to all the members of the cabinet is the short day in the middle of the week with the half hour question period. On Monday, the day when we have a full hour, when we return from our ridings with fresh problems and difficulties, about half of the cabinet ministers are beyond the reach of our questions.

Getting the ear of the media is not the only matter. There are many issues of crucial importance which require answers within a very short period. If members have to wait over the week end, plus an additional one or two days, before they can question a cabinet minister, then they might as well not receive an answer because the issue is dead. Consequently the roster system has eliminated many of the democratic rights of the members of this house.

I should also like to couple this rule 16-A with what is happening to our committee system. I like the committee system; I think it has good potential. However, I sat on a committee which considered the estimates of several departments—or at least was supposed to, though the committee did not have time to consider them all. The members of that committee wanted badly to question the minister, but we were told by the officials of the department that they would have to take our request to the minister; the officials themselves either could not answer for government policy or did not have the authority to state it.

Again I suggest that this is depriving the members of this house of their democratic rights and privileges. Rule 16-A throttles private members because it brings the threat of closure before debate starts. This, added to the introduction of the roster system and the new committee structure which does not require members to attend, is an indication that the government is already depriving hon. members of a great chunk of their democratic liberties. We dare not let rule 16-A be adopted by this house.

If the government does not wish to destroy the power of parliament in general and of the ordinary private member in particular, then why is it proposing this rule 16-A? Does the government need this extra power? Hon. members opposite went to the people last June and told them that they needed a majority because they were in a minority position and could not get legislation through. The electorate replied that they wanted legislation to go through, and hon. members were given a good, safe majority.

An hon. Member: Hear, hear.

Mrs. MacInnis (Vancouver-Kingsway): The hon. member applauds, but I suggest to him that with this majority the government can already override the combined opposition in this house. Therefore, why do they want rule 16-A? I should like an answer to that question. The government already have a majority; why do they need the over-kill? What are they afraid of? What will be the next part of our parliamentary system the government will want to abolish? Somebody suggested that the press gallery would be the next victim, but I am pleased to see that so far the press gallery has been able to withstand any pressure that may have been brought to bear to whittle down the rights and liberties of its members. The press has treated the whole matter in an exceedingly responsible fashion.

There is one circumstance of the government's desire for extra power that is very suspicious to members on the opposition side. If the government honestly believe that their majority vote is sufficient and they are not proposing to use Rule 16-A for purposes they should not, then why are they afraid to send this rule 16-A back to the committee for revision, in light of this debate? Why are the government afraid of this parliament? I would urge members on the government side of the house to lose such fears and to put their trust in the democratic system. Do not let them imagine that we on this side of the house are not anxious to get ahead with government legislation, because we are, and I shall deal with that point in a moment.

As I said at the beginning, we believe that parliament should be streamlined and made efficient. I also said that how this is done is very important. We say there is only one way to do this, and that is by democratic agreement among the parties in the house.

I now raise another question. Parliament should be streamlined and made efficient—for what purpose? Government spokesmen consider that they have a perfectly ironclad answer when they say that parliament must be made efficient so that the country's business can be carried out efficiently. That is no

answer to me. It merely raises further questions. I want to know, what business; whose business?

I think the best way to illustrate my point is to give an example. I come from a riding in the heart of Vancouver. A big part of Vancouver is my riding. The constituency of Vancouver-Kingsway consists of many elements that are typical of the big cities across the country. Vancouver happens to be the third largest, but there are many other cities in very much the same category. Vancouver has a very large percentage of small homeowners, family people who work at every imaginable type of job in various industries and services in the community. Such people are the very backbone of Canada, the salt of the earth of this country. Fortunately most members of the house have a good share of such people in their constituencies.

The needs of the constituents in this type of riding are not at all hard to define. First they need steady jobs at wages or salaries that will enable them to enjoy the modern standard of living for themselves and their families that their work has helped make possible. Second, they need the kind of training and retraining that will enable them to keep up with changes in our automated world. Third, they need to know that their sons and daughters are going to get training in this fast changing world that will enable them to earn their keep in the world.

• (8:30 p.m.)

Fourth, they need modern housing to fit their stage in life; whether it is a self contained home in which children have space to develop or an apartment for young business couples or older people. They need whatever type of home is suitable. Fifth, they need security against the hazards of sickness, accident, invalidity, loss of the breadwinner and other income draining factors. Sixth, they need opportunities for recreation, travel and real education as distinguished from mere training, whether it be training to be an engineer, a plumber or a doctor. In a word, these are the real needs of the people of Vancouver-Kingsway; they are also the needs of the people in every riding of the country from Vancouver island to Newfoundland.

The people of Vancouver-Kingsway sent me here to voice their needs; they sent me here to work for the attainment of those measures of legislation that will meet their needs. That is why I and other opposition members are so much opposed to proposed standing order 16-A. Its effect would be to prevent us from voicing the needs of the people of our riding in parliament. As I said a moment ago, I have no intention of voting to gag, muzzle and silence the members of this house who are determined to do the job they were sent here to do.

If this measure goes through it will place in the hands of the cabinet enough power to choke us. It is useless saying it will not. Once the cabinet has this power to choke off debate, most debates will be of one or two day's duration. That means that only front-benchers and one or two others in each party will have a chance to voice the needs of their constitutents, no matter how important those needs may be. We will not have a chance to be heard on matters which are vital to the people in our ridings. At best only a small fraction of hon. members will have a chance to speak.

"Ah," says the government, "but we are reasonable men; you can trust us to put forward the right priorities. We are out to build the just society. You people need not worry; even if you are not speaking from the front benches you can be sure that we shall bring forward the right priorities." To me it is saddening and significant to note that among the measures we have considered since opening, there has not been a single item that touches on the needs I have outlined as being important to the people of Vancouver-Kingsway and, indeed, to the majority of people all across Canada. There is not a single one. Not one of these items has the government introduced in this session—not one. The only item to come forward affecting the people of Vancouver-Kingsway was the one to do with post office rates, something they did not appreciate, or had a right to expect.

Some hon. Members: Hear, hear.

Mrs. MacInnis (Vancouver-Kingsway): When we have raised certain matters during the question period—and it is difficult under the rules, Mr. Speaker, to develop a question and give its background so that it makes sense—we have learned certain things. These things concern the people of my riding and the ridings of hon. members across this country. To make sure that these matters were acted on is why the people in my constituency of Vancouver-Kingsway sent me here. That is why the majority of the people in this country sent their members here, because what I am about to refer to affects almost everybody here. The government did not act on the matters I am about to refer to,

although it could have done so. We tried desperately to raise these matters during the question period, as I say, and we learned the following.

No. 1: On winter works, we were told that the program had been cut out this year. The government said they believed there should be other measures to take its place. They are looking for those other measures and do not seem to have found them yet.

No. 2: With regard to family allowances, we were told there would be no increase this session.

No 3: On basic old age security pensions, we were told there would be no increase this session.

No 4: On veterans allowances, again we were told there would be no increase this session.

No. 5: On the subject of superannuated civil servants—and I raise this matter at the risk of trespassing on the territory of my colleague from Winnipeg North Centre—there was still no promise of action on a report, agreed to unanimously 18 months ago, which said that pensions ought to be raised.

Mr. Knowles (Winnipeg North Centre): Shame.

Mrs. MacInnis (Vancouver-Kingsway): On No. 6: Medicare, we were told that within five years the federal government would get out of the field and would allow the provinces to go ahead with it, if they wished to. I ask, what chance do the people of Prince Edward Island have to obtain a decent medicare system? My province, British Columbia, the wealthy province of Ontario and the oil rich province of Alberta without doubt will be glad to help the people of Prince Edward Island, Newfoundland and New Brunswick obtain medicare. I say that because we want one Canada, and carrying out the government's wishes with regard to medicare means that instead of one Canada we shall have ten Canadas. I do not care how much you may talk about Canadian unity, that is what it would mean. The government's proposal means that the country will be split up. To return to my original list:

No. 7: housing, we were told there would be no legislation before spring.

No. 8: Unemployment; it was drawn to the government's attention last Friday that at present 338,000 Canadians are unemployed, 49,000 more than one year ago. The Prime Minister's only answer to that was that there are also 268,000 more jobs—cold comfort for the 338,000 Canadians who are walking the streets looking for jobs that are not there.

I have enumerated the government's record to date in some of the more obvious areas. I ask, why do they want this power? They have sufficient power to legislate in every one of those areas I have mentioned.

Mr. Knowles (Winnipeg North Centre): They want power to do nothing.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, you know the government's record and you can guess at their attitude. Surely from all this you have a forecast of their intentions. You can guess what they want to do when proposed standing order 16-A is passed. And, one may ask, what is that? They want to throttle the private members in the house, including their own. Some of us do not intend to be party to this destruction of parliament.

Of course there are white papers and task forces and regional desks, royal commissions, committees and everything else under the sun; these are all devices to keep the government away from reality; these are excuses which are put in the way of legislation which should have been introduced away back at the beginning of the fall. As I said, of course there are white papers, task forces, regional desks and advisory boards; but the people cannot live on a diet of hot air and white papers. Nor can they live on a diet of the Prime Minister's promises. He goes out talking with women—whether they are young or good looking I do not know—and it is said he tries to discover their problems. Then he goes talking to all the other people—with chambers of commerce, etc., etc., etc., about their problems, and that is called a dialogue. I say we have had enough of this sort of thing from the government. What we want is action.

An hon. Member: Legislation.

Mrs. MacInnis (Vancouver-Kingsway) We want legislation; we want bills that will help us to solve the problems and needs of this country. When are we going to get legislation? If proposed standing order 16-A is passed by this house it will take much longer for legislation to be brought forward than if the private members' rights were left unimpaired and respected. The people of Canada have been very patient and are still patient. They are giving the government every chance to make good. As a matter of fact they can hardly believe that the government does not intend to go through with all the things it promised last June. The people

believed the government would keep its promises. They still believe it is some horrid joke when we tell them what is happening. They cannot realize that they will get no action on housing until next spring—that all they will get is the Minister of Transport (Mr. Hellyer) travelling hither and yon across the country finding out things which are already sufficiently well known. They still believe this is some nightmare from which they will awaken. They still believe that someone who looks as nice as Mr. Trudeau would not refrain from doing some of the things which are so important for our people.

• (8:40 p.m.)

They are still waiting, and they will keep on waiting for a little while longer because as yet they cannot believe the evidence of their senses. But when they realize that this government, with its safe majority, does not intend to use that majority to legislate for the needs of the people; once they get it through their heads that this government does not intend to legislate for the just society, but just for the society of the affluent, then hon. gentlemen opposite had better look out.

There was a king once in England who lost his head—twice. He lost it once when he took up the theory of divine right. He lost it finally when he insisted on putting this theory into practice and acting out his thoughts. This government is still at the stage of believing in its divine right, in theory. I suggest they would do well to reconsider rule 16-A before they begin to put their ideas about divine right into practice. That sort of thing is exceedingly dangerous.

If members opposite do not believe me, let them recall also that there was a queen, once, in France—I am being bicultural and balancing off England and France—who, when she heard that the people were in need of bread, was supposed to have said: Let them eat cake. She, too, it will be recalled, lost her head, as did the king.

I would hate to think of this sort of thing happening in Canada, particularly to our own gallant Grand Charles I of Canada. He, too, is playing with fire when he stirs up the expectations of people with talk of a just society, and then gags their representatives so that they cannot protest the building of a society just for the powerful and the affluent. Before it is too late I appeal to the government to reconsider this dangerous rule 16-A. If they are not impressed by the fact that it is dangerous for the future of democratic government in this country, let them at least regard it as being dangerous to themselves. Rule 16-A is just as dangerous for this government as closure proved to be for the government in 1956. I implore the government to bear in mind that though the introduction of closure in the pipe line debate did defeat the government, it had a lot of bad side effects for the country. It lost much of the respect for parliament, and as a result of those events the good name of parliament was under a cloud for a long time. If we let 16-A pass, parliament will suffer again; and Canada cannot afford nowadays to run the risk of a situation of this kind recurring.

Let this government remember that parliament was created precisely as a check on the power of the majority to ride roughshod over the will of the minority. Let them remember they have a majority in this house, they already have the weapons they need. But let them not try to force their will on the opposition by making closure the rule of debate. Let them send this proposal back to the committee so that agreement may be reached by the ordinary democratic procedure of argument and compromise. If they are willing to do that, then as soon as we get back here after the Christmas recess, if they will introduce the kind of legislation for which the people are crying out from Newfoundland clear through to Victoria, they will find no House of Commons anywhere in the world more willing to go along with the compromises required to make this democratic parliament work, and work well, in the interests of Canadians.

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I am glad to have the opportunity to say a few words concerning the motion now under consideration and, in particular, on the amendment to standing order 16-A proposed in the fourth report of the special committee on procedure.

Ever since our parliament has been in existence, that is, for the past one hundred years, the Canadian people have been fighting for their rights and prerogatives. Can we say that these rights and prerogatives have been respected by parliament when we are still fighting to preserve them today? How is it that, after one hundred years, we should still have to spend our time talking about our rights and prerogatves instead of doing something for the people?

From time to time, there is talk of changing and improving the standing orders, but ever since it came to power the present majority government speaks of renovating everything. When it is realized that the people are displeased or dissatisfied, they talk of changing something.

This may give them the hope that at long last the government is sincere and that it has taken a sober resolution of working and legislating in their favour.

Mr. Speaker, it is ridiculous to see that the proposed changes bear only on the most elementary and superficial instruments of parliamentary procedure.

There is talk of the time allotted to the various stages legislative measures must go through, a purely superficial question that concerns the many ramifications of procedure, but great care is taken not to touch the essential. Indeed, in the committees, great care is taken to select members from various parties, various nationalities, various regions of Canada, various languages or creeds, but when it comes to important committees, such as the committee on finance, trade and economic affairs an absolute majority of members of the party in power is always guaranteed by appointing a chairman and competent senior officials who are under the authority of the Minister of Finance (Mr. Benson) and in favour of the policy adopted in advance by the government.

Mr. Speaker, we are fighting for the right to speak, which we have had in the past, but which we now may be denied. The opposition lost the right to act several decades ago. In this house, no member of the official opposition, can introduce any bill whatsoever which entails expenditures for he is called to order. This is to say that the opposition has very little weight; its members may only express what they think, what they feel and criticize such and such a bill. We are forbidden to act. Actually, just like in the parliamentary committees, we can change nothing at all. If we propose amendments to bills, we are always defeated by the opposition. In fact, we do not count for much in this parliament.

• (8:50 p.m.)

The Leader of the Official Opposition (Mr. Stanfield) said the other day in a speech that we should try to find a balance, but that would not solve the problem, even if we adopted standing orders contrary to the ones we had. In fact, that would solve neither the problems of Canadians who are hungry or unemployed, not the problems of the increase in the interest rates. That will not prevent the government from increasing taxes.

There was no rule 16-A before, and that did not prevent the government from increasing taxes, namely the tax on building materials. That did not prevent the government from establishing department after department and employing thousands of rather well-paid public servants. Those departments or public servants have not solved the problem because it still exists.

Mr. Speaker, if we want to change something, the head of the organization must be the target. The members are not entitled to take any action any more and we are now being deprived of our sacred right to voice our opinion. We have fought for this right for a hundred years and we will have to start again. It is not logical that we should have to fight today to make sure that we shall keep these prerogatives, these rights. It is illogical.

The government and the opposition are responsible for that situation. In fact, the opposition which we have had in the past and which we still have during this debate have suggested no solution. The hon. Leader of the Opposition did criticize the government, but he did not suggest any solution to reform this parliament. He did not say what was wrong in this parliament nor what was preventing it from taking action in order to give the Canadian people what they are entitled to.

In his speech on the measure under consideration, the Leader of the Opposition neglected to talk about the reforms aimed at giving the people what they are entitled to. He neglected to suggest solutions to increasing taxes. He neglected to suggest a solution to the city of Montreal and the province of Quebec which are no longer able to finance their operations. As for the municipalities and the school boards which are forever increasing taxes, bleeding the citizens in a terrible and shameful way, he does not mention them.

If one advocates reforms, one must explain them, because it is not enough to criticize and condemn.

This discussion on the rights and prerogatives of hon. members leads me to talk about the will of the people which is an indivisible whole. In fact, divided and broken up, it disappears because it cannot be the sum total of the wills of its parts. Man needs truth, security and justice. That is what we are fighting for in this house.

I am more and more convinced that after rule 16-A has been adopted, the government

will hold in its hands control of the whole country. Whether or not we will admit it, that is a colossal responsibility that the government wants to assume.

I think, Mr. Speaker, that we, of this generation, must base our beautiful speeches on concrete and positive action. Our generation has been hearing beautiful speeches for a hundred years, but it has lived in pettiness. Beautiful speeches have never put bread on the table of Canadians. Amendments to standing orders alone will not bring about solutions which are liable to help our economy.

Changes in methods of speeches in this house or in doing such thing at such hour rather than at another time will not contribute to adoption of guiding principles and scientific methods that are adapted to the facts and realities of the nation.

Mr. Speaker, in the light of the present parliamentary reforms, what is the solution envisaged by the government in order to establish a new and just society which will insure, on a permanent basis, this measure of justice and freedom the Canadian people have been expecting for a long time? What can the Canadian people hope for? What are the plans made by the government in order to build a better world and to make parliament free of prejudice?

Mr. Speaker, subjecting to amoral legislation all the members of this so-called free parliament is restricting and limiting them in the pursuit of their freedom. This is contrary to natural law and to democratic principles under the guise of law and, consequently, the law of the modern world.

• (9:00 p.m.)

Essentially, these standing orders maintain the right of force. We should substitute therefor a fundamental legislation passed by the representatives of the people based on respect for rights and whereby all citizens are bound to the same duties and obligations. This should become an increasingly concrete and respected reality. Those are the great principles on which the human city should be built.

Mr. Speaker, man needs a certain number of specific and concrete liberties which are necessary if he is to be master of his destiny. Everything which is imposed reflects on the respect of man and introduces a factor of disorder in society. Standing order 16-A which would withdraw the right of speech to the members of parliament would be a factor of disorder if it were approved by the members of the opposition, because they are the members truly representative of the people, who must speak on behalf of those who cannot come here, whether they are rich, poor, powerful or weak. Consequently, freedom of thought and speech, without any restriction or reservation, must be unlimited. It is particularly true in the case of philosophical, political, economic and cultural views. The free exercise of the mind should not entail any danger in a society based on the respect of man, because the two nations intermingle.

It is less inconvenient to allow views to be expressed than to exert a restraint on the mind of members by refusing them that freedom. Freedom of opinion must not suffer any restrictions. The free exercise of intelligence is the only means to ensure a balance of responsibilities in a society whose members have necessarily reached different levels of education. In our society, one cannot conceive someone who would say: "I am the law, the right, the power".

Considered in its everyday life, a nation is at the same time a land, a soul, one or several languages, a history, a culture, a present and a future, an aggregate of mores, customs and traditions, a universe of tendencies and aspirations which it would be difficult to change, without the state becoming the absolute master. This is contrary to the rights and to justice so much sought after by free men.

For man as for nations, it is essential to live according to one's own truth, to accomplish oneself according to one's own vocation and one's own genius. It is by remaining itself that a nation, just like man, will be more useful to humanity and more faithful to the human race.

Therefore, it is not possible to have a law decide that the same political, economic and social system is valid for the whole nation. Each nation must choose of its own accord the means it considers best to build a land and cities.

Uniformity, Mr. Speaker, is the death of a nation, while diversity is life. We must give ourselves our own forms of legal, economic and social power. We do not have the right to copy the rules of procedure that belong to others, because our aspirations are different. We do not have the right to copy the British rules that date back 50, 100 or 200 years, because we are a distinct nation. We must adapt a rule based on Canadian realities and principles.

The right hon. Prime Minister was saying the other day that we should copy the British

rules. What has England done so well in the past that we should copy? We are not in England, but in Canada, and it is with Canadian provisions that we must reform our institutions.

We are intelligent enough and we have ministers and a Prime Minister who are intelligent enough to allow us to draw up ourselves legislative measures which will be distinctively Canadian. That Mr. Speaker, is how we will be able to give Canada the standing orders and legislation adapted to its needs. We must decide on our own legal, political and social powers and our own social system. It is neither possible nor desirable to establish the same social, legal and economic structures for all nations. On the other hand, it seems necessary to establish certain basic principles.

The role of the state is to legislate, to govern. There may be only one man who governs, but all the elected representatives of the nation take part in the legislative process. What everybody says and thinks must not only be put on the record but it must weigh in the balance of power. In a democracy, legislation results from a considerable number of actions, reactions, interference between the needs of the nation and the needs of men. It implies long analyses, confrontations, syntheses. It is necessary to weigh, compare, anticipate the consequences, which requires team work. We, the members of the house, constitute a team, and we must work, forgetting our political allegiances, for the good of the people, in order to give them the laws, the rules of procedure and the institutions which will serve them.

In human society, the state must play the role of an orchestra leader and set the example of free and responsible activity. The only conceivable order lies in respect of moral law, of which man is the beginning and the end, there is no way other than that which starts from man and leads to him. Everyone has great responsibilities in that field and every man has duties that he cannot shirk. He must therefore discharge the mandate entrusted to him by the people, according to his status and his talents, his know-how and his knowledge.

In order to express their will, the people must be free to express themselves on what they can really know. And for that, men must be free to consult, to discuss, without obstruction. Now, rule 16-A obstructs the action of our statesmen, of all members of this house. We therefore cannot accept such an attitude on the part of the government.

[Mr. Latulippe.]

• (9:10 p.m.)

Mr. Speaker, I could talk at length on this, but much has been said about it in the last few days; it seems that the whole opposition is ready to make changes and to improve parliamentary procedure provided it is for the good of the people. It is willing to accept some reforms, but not ready to lose its right to express itself. We must retain for the people their freedom and their to speak their mind, because those are sacred rights. Freedom is essential to man and nobody has the right to alter it, even in a democracy.

If we refuse to follow democratic principles, we might as well appoint two or three good dictators, close parliament and all go home, leaving the helm in the hands of the dictators. That would be a communist style government. But if we prefer a democracy, our legislation should not deprive members of the right to speak because that would be against the spirit and the letter of the very democratic principles we are here to protect.

It is our responsibility to uphold the principles of democracy. We have been elected under a democratic system and we are not going to yield to any kind of dictatorship. We shall fight to the end in order to prevent dictatorship from prevailing in parliament. We already have far too much of it here. While members may still be free to express their own opinions, they have actually lost the right of taking any practical steps. We are here as representatives of the people and our sole purpose should be to serve them well rather than building up our own private business or helping enrich, at the expense of the people, a small number of citizens across Canada.

The people of Canada have had enough, they cannot live because they are taxed and taxed again and crushed by all kinds of means. And never in this parliament does anyone find time to talk about them. There is never time for that. There is time to talk about such things as the measure under consideration tonight but I would much rather talk about political and economic reform. That is what we should talk about but there is no time and when we try to do it in committees or when we want to suggest amendments, we are always defeated by the government and even by some part of the opposition which does not believe in reforms. Yet they are careful not to make any because they do not see the need for them. They have no solution to any problem and they continue to be satisfied with the old system, wading

in dirty and polluted water that cannot be purified in order to allow the people to live in a normal, decent and healthy way.

[*English*]

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker and hon. members, this has been a good debate and I think it has proceeded in the best tradition of parliament. We have heard excellent cases put forward by those speaking on all sides of this extremely important and urgent matter of procedure. I think in the main the views expressed have been responsible views.

I speak as one with a good deal of experience in opposition. I served in one of the most interesting legislatures in Canada for a period of nine years, at times under difficult circumstances. My experience on the opposition "barbed wire" was trying at times. I think I am as aware as any member of this house of the value and the necessity of good responsible opposition. I will not be party to any action by any government here now or in the future, to take away from the opposition its rights and responsibilities under our great parliamentary traditions. Without good and effective opposition, governments degenerate and deteriorate. They have in the past. The opposition is an integral and important element in the constitutional organization of parliament. As a former prime minister, the right hon. member for Prince Albert, said on October 27, 1949, in a most excellent speech with reference to the responsibilities of the opposition—and this is set out at page 69 of the text:

> "When it properly discharges them the preservation of our freedom is assured. The reading of history proves that freedom always dies when criticism ends. It upholds and maintains the rights of minorities against majorities. It must be vigilant against oppression and unjust invasions by the cabinet of the rights of the people. It should supervise all expenditures and prevent over-expenditure by exposing to the light of public opinion wasteful expenditures or worse. It finds fault; it suggests amendments; it asks questions and elicits information; it arouses, educates and moulds public opinion by voice and vote. It must scrutinize every action by the government and in doing so prevents the shortcuts through democratic procedure that governments like to make."

This was a good speech. It was delivered by the former prime minister to the Empire Club in Toronto on the occasion of one of its meetings in 1949.

As the hon. member for Winnipeg North Centre (Mr. Knowles) said in one of his good speeches—

An hon. Member: When was that?

Mr. Perrault: It was entitled, "The Role of the Opposition" and it is available in our library. The hon. member was speaking to the Empire Club at the Royal York hotel on March 21, 1957. He talked about the opposition and if the house will bear with me I should like to quote him when he said:

> We who sit in the opposition in the House of Commons have all sorts of epithets hurled at us. Don't worry, we hurl some across the floor as well. We are called obstructionists, time-wasters, and so on. I submit that ours is a great tradition, that we play a vital role in the democratic process —a role without which our legislative process would not be democratic—and that posterity will continue to bless the pertinacity of those to Mr. Speaker's left who do their job as best they can.

He is right.

Sir Wilfrid Laurier, during his brief period in opposition said "In opposition we form part of the peoples' jury and it is our duty to render a conscientious verdict regardless of person or party".

These three views about the importance and the responsibilities of the opposition are correct. Yet, apart from the excellent arguments advanced in this house during the course of this debate, and apart from the outstanding speeches, which have been part of this debate, the question remains in 1968: Are the government and opposition working effectively and efficiently on behalf of the people of Canada or have some features of the institution of parliament become obsolete and effete in the face of the challenges we face? There is a challenge to those on the government side, and surely there is a challenge as well to those in opposition who have been designated the equally important task in opposition as "watchdogs" of the public interest.

Within the existent procedural framework, can government members and opposition members be effective for we are sent here to be effective. The question is not whether opposition rights are being restricted. The question is not whether the government is attempting to force an unfair view on the house. The question is, within the existent procedural framework are government and opposition members able to be effective in the roles set out under our system? In this regard, what modern industrial organization or trade union would be satisfied with procedures enshrined and entrenched in the status quo of a full century ago?

• (9:20 p.m.)

The best Christmas present we parliamentarians could provide the Canadian people

with would be a reform of the procedures and rules which while at the same time preserving the concept and the tradition of parliament.

Some hon. Members: Hear, hear.

Mr. Perrault: I would like to ask some questions of the house, Mr. Speaker. How many members will defend the procedures we presently follow in the matter of estimates? The former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), in a moment of frustration on July 21, 1960, as reported at page 6673 of *Hansard*, said:

> We have had 56 days or parts of days on estimates. I say that nowhere else, in any other parliamentary institution, is so much time taken in the examination of particular estimates as is taken here in connection with estimates.

This is the frustration which he felt when he was prime minister.

Mr. Crouse: After 56 days.

Mr. Perrault: This is what the former prime minister had to say on the same subject:

> An opposition does not properly perform its functions unless it examines all expenditures made with a searching eye and with fearless criticism, yet members of the House of Commons have no proper facilities to enable the full examination of the public accounts and estimates.

This is what the former leader of the Conservative party said:

> Debates on estimates are futile.

Then he said, Mr. Speaker:

> An expenditure of millions of dollars that are totally unjustified could conceivably be passed without much danger of detection. Canadians have become so used to the expenditure of billions of dollars that a million here or there seems of little consequence.

This was the former leader of the Conservative party speaking out for reform.

Mr. Nowlan: That reform has been made.

Mr. Perrault: Let me bring to the attention of hon. members that when this speech was made in 1949 the total Canadian budget was $2.34 billion. The budget now is over $10 billion. If there were abuses in 1949, the abuses must be infinitely worse in the matter of estimates in the year of our Lord 1968.

Then we had another resounding speech by the former prime minister on July 21, 1960. I quote from *Hansard*, page 6675:

> I hope it will be agreed by the house that the rules committee will be set up at the earliest possible date in the next session and will meet to the end that with your assistance, Mr. Speaker, there will be an agreement on the part of hon. members in all parts of the house that we must bring about great changes in the interests of making parliament more effective.

Some hon. Members: Hear, hear.

Mr. Perrault: This is what he said in that speech:

> In all the years I have been in parliament I do not recall more than two occasions when anybody ever moved to reduce an estimate, or even divided the house on it. Hon. members opposite resort to condemnation and then conclude by allowing the item to pass. That is why it has been found sufficient in the United Kingdom to deal with the vast number of estimates in the large amounts that come before that parliament in just over one-third of the time that we have taken up to this hour.

This has been a situation which has been plaguing the Canadian parliament for years, and rather than be concerned, indeed honourable members should be delighted, that finally we have a government in this country willing to act on delicate procedural matters and willing to take the consequences. An hon. member asked earlier this evening: Where does this reform stop? The majority of members of this house ask: When does it start? The sooner the better.

Another hon. member said that we need action. We certainly do need action.

An hon. Member: In the rump.

Mr. Perrault: The hon. member for Winnipeg North.

Mr. Knowles (Winnipeg North Centre): Winnipeg North Centre.

Mr. Perrault: I mean the hon. member for Winnipeg North Centre (Mr. Knowles), and some of his colleagues, have been criticizing the proposal to have the estimates considered in detail in committee. This is what the hon. member for Winnipeg North Centre stated in his speech of March 21, 1957:

> —in the field of government expenditure, a particular responsibility—and a difficult one to discharge—rests upon the opposition. We have to try, in committee of supply, and in some instances in certain special committees outside the house, to examine into every dollar of government expenditure. This task is so huge that the best we manage is spot checking, but I believe it can be said that it does have a salutary effect.

We were spot checking estimates of $4.83 billion in 1957 when that speech was made. Are we going to merely continue to spot check, on behalf of the Canadian people, when the budget is now over $10 billion? Are we going to check every tenth estimate the

way the customs people check every tenth automobile to find whether there is contraband aboard? Is that the way we want the parliament of Canada to be run in the year 1968-69?

An hon. Member: Darned right.

Mr. Perrault: An hon. member over here in opposition ranks says "Darned right." They are firmly entrenched in the status quo. The Conservative party sent a representative to the 33rd Couchiching conference, Mr. E. D. Fulton.

An hon. Member: In 1930.

Mr. Perrault: No. The arguments from that side of the house often sound like those of 1930. What did he say? This is what he said:

The business of parliament can be discharged more efficiently and its members made more effective by placing greater emphasis on the committee system, especially in discharging the role of the critic of expenditures and guardian of the public purse.

That is what he said on behalf of his party.

Some hon. Members: Hear, hear.

Mr. Perrault: Then he said:

The second advantage of this system would be that detailed examination of estimates in committee would result in better informed and more effective discussion of policy in the house.

How many in this house will defend the amount of time wasted under the present situation?

Mr. Nowlan: Don't you know the rules have been changed since all those speeches were made?

Mr. Perrault: How much time is wasted in this respect? This is what the hon. member for Winnipeg North Centre said to the same Couchiching conference, as reported at page 71 of "Order and Good Government".

Parliamentarians start with a notion that freedom of speech somehow means freedom to talk forever. Cutting off debate is felt to be a denial of a basic democratic right. But the fact is that we do this in many ways in parliament. The 40-minute limit or the 30-minute or the 20-minute rule that we have are denials of unlimited free speech. Although years ago there were no time limits on any debates, we did, in 1955, impose a limit of a certain number of days on the debate on the address—

Then he went on:

We accept the proposition that it is good to organize such things, but the key to accepting these propositions is that we make the rule before the game starts.

• (9:30 p.m.)

It is on this basis that we have to take the next step. The worthy and hon. member said:

I think we have to look at the debates on legislation and find a way to agree at once as to the length of time we are going to take.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Perrault: Later, Mr. Speaker. I ask the question again: How many will defend the amount of time that is wasted in parliament today? What did the former leader of the Conservative party have to say about it on November 26, 1962 as recorded at page 2009 of *Hansard*? It reads as follows:

I am not one of those who argues that there should be any interference with the right of hon. members to express themselves, but I do agree with the hon. member that if the house leaders of the parties could get together and apportion the time, it would be a most effective and welcome expedient in order to achieve a high degree of efficiency in parliament. They do it in the United Kingdom, but we have never been able to do it here. It becomes more difficult—this is not a matter of criticism when there is a multiplicity of parties. That means a multiplicity of viewpoints, and it becomes more difficult to achieve. But if out of this discussion today we can bring about agreement to apportion the days between now and the Christmas adjournment, we will have made a tremendous advance in parliamentary reform, of our own volition.

How many will say, apart from the heat of partisan disputation, that parliament must become more efficient?

Again, the former leader of the Conservative party said the following in his address to the Empire Club in 1949:

Government has become so complex and its ramifications so extensive that no matter how industrious a member of parliament may be, it is impossible to master all the problems that come before parliament, and more so in that there are not available to the opposition the trained civil servants who are at the disposal of the government at all times. In my opinion the opposition will not be able to discharge its duty unless it has available to it trained and outstanding research experts whose salaries will be paid by the state.

That speech was made in 1949. No action in this respect was taken by the governments in 1957, 1958 and 1962. It was only this government, which has been pilloried by the opposition, that has taken action and has brought forward this basic and fundamental reform to enable opposition members in this house to be more effective and to serve the Canadian people better. The right hon. member for Prince Albert said:

The opposition cannot oppose without reason. It's alternative policies must be responsible and practicable.

We have heard very few alternative policies advanced in this debate.

Mr. Forrestall: Did the Liberals comment on this at the Couchiching conference?

Mr. Perrault: He also said:

If parliament is to be made as effective an instrument in the modern world as it should be, the procedure of parliament should be modernized and brought up to date—

Parliament must continue to be the custodian of freedom. To that end it must constantly change its procedure to meet the changing needs of the modern world but must be changeless in its concept and tradition.

Where is the spirit of reform in this debate on the part of some of the members of this house? How should these efficiencies be brought about? Time does not permit me to review the excellent arguments which have been advanced by the government in this debate, but the former Minister of Justice, Mr. Fulton, said at the Couchiching Conference in 1964, speaking for the Conservative Party:

But no matter what mathematical disposition has been arrived at by the voters, parliament has the duty to get on with the business of the country; and the government has the right and the responsibility to govern, so long as it enjoys the confidence of parliament, or at any rate unless and until parliament accepts the responsibility of defeating it.

This is what your Tory spokesman said. And now, in 1968, this new government is accepting the responsibility for procedural reform, and it does so cheerfully and gladly. I think it is regrettable that needed reforms which are supported by so many hon. members are surrounded by the controversy which has developed over recent days with respect to differences relating to rule 16-A. Some members, unfortunately, have employed intemperate language to criticise this rule, or what they assume to be this rule. Others have grasped at the opportunity for debate to level wild and irresponsible charges against the government benches.

The hon. member for Calgary North (Mr. Woolliams)—and I am sorry he is not in his seat tonight—suggested that an attempt is being made to take away the control of the pursestrings of parliament. As he said on December 12 as recorded at page 3859 of *Hansard*:

—you make the executive all-powerful and reduce parliament to a rubber stamp.

[Mr. Perrault.]

He accused the government of "attempting to muzzle parliament". In that same speech he said:

We in Canada are now faced with a real danger of the loss of parliament and the loss of freedom.

This kind of talk does little to reassure the Canadian people of the responsibility of certain members of this assembly. The members who occupy the government benches are just as concerned about the maintenance of a strong, democratic and efficient parliamentary system as are the members of the opposition. However, together with most of them we are not satisfied that parliament is working well enough for the Canadian people. Together with them we seek changes which will preserve freedom and at the same time expedite the business of the country.

Faced with the task of expediting the nation's business, the right hon. member for Prince Albert said this on July 21, 1960, as recorded at page 6672 of *Hansard*:

I think there is no reason why that debate should not be reduced so far as the number of days is concerned. Immediately I suggest that the opposition will say that they are being throttled.

The word "throttle" is precisely one of the words which is being used by members in the official opposition now. The remarks of the hon. member for Calgary North were quite predictable. Criticism of the kind that he and his colleagues have directed at the government—criticism of this courageous and long-needed legislation, is a price that the government party members pay cheerfully for the improvement and renewal of the parliamentary process in this country. And again, when government members are criticised for allegedly attempting to shorten debate in some areas, we remind ourselves of Churchill's words spoken to the British house of commons on November 29, 1944:

Do not suppose that you can strengthen parliament by wearying it, and in keeping it in almost continuous session. If you want to reduce the power of parliament, let it sit every day in the year, one-fifth part filled, and then you will find it will be the laughingstock of the nation, instead of being, as it continues to be, in spite of all of the strains of modern life, the citadel as well as the cradle of parliamentary institutions throughout the world.

Churchill said these words, but they were quoted by the former leader of the Conservative party on July 21, 1960.

When the government is accused of subverting democracy, and the air is ringing with agitated oratory, objective members remind themselves of the research assistance

which is being granted to the opposition parties in this house. I am proud and gratified that a Liberal government in 1968, with the support of its backbenchers, has moved to provide not only this reform measure but these additional measures to improve the contribution of the opposition. The other day the Leader of the Opposition was very critical of the efforts being made by this government to, as he put it, "cripple the opposition". I have in my hand an account of the years of Conservative government in the province of Nova Scotia. May I quote an excerpt from *Maclean's* magazine (March, 1968)?

Some hon. Members: Oh, oh.

Mr. Perrault: This is what was written:

—a few years ago a Liberal M.L.A., Dr. J. Henry Reardon, made some pointed remarks about the Stanfield government's ethics in turning over the provincial tourist advertising account to Dalton Camp's firm. This criticism so incensed Stanfield that he announced he had given "serious consideration" to the idea of introducing a bill that would remove Reardon's legislative immunity retroactively.

It is interesting to note the official opposition's concern for the preservation of members' rights.

Mr. Forrestall: What happened to Reardon? Who was right?

Mr. Perrault: We know that a good opposition is good for parliament. Rule 16-A may meet the test of time: perhaps it will not. Let us hope it does. If in practice it demonstrates there are some shortcomings, then let it be modified to the needs of the time according to the will of a democratic parliament.

• (9:40 p.m.)

But let us not be afraid to experiment, to change, in this House of Commons. If we parliamentarians of Canada are content to rest on the present big, fat, over-stuffed procedural status quo, then we deserve the contempt of the Canadian people. We will win the admiration and acclaim of the Canadian people only by demonstrating that we are willing to take those actions that are geared toward improving our own productivity. We are not citizens of some kind of totalitarian state, some petty little principality that is under dictatorial edict.

In the final analysis, all of us who are sent here know that the people will judge the merits of this legislation and the merits of this government, as they always have done. The final test will come at the ballot box. If the government appears, to the majority of the Canadian people, to be unfair, then it will lose the next election. On the other hand, if the opposition's criticisms lack validity or the opposition is unfair, then they will not be elected in place of the present government, and will remain in opposition.

However, let not fear of failure at the ballot box petrify any section of this house into inaction. As for 16-A, a majority of hon. members are convinced that under most conditions it will be possible for the house leaders to achieve agreement. I think most members predict that the meetings will be cordial, because the party house leaders in this assembly are reasonable and good Canadians.

Let me repeat what I said earlier; I believe that the best Christmas present that this house could present to the Canadian people would be procedural reform achieved in a spirit of amity. This would be a fine Christmas present, because these reforms will enable the people's business to be done in an enlightened and efficient manner, for the benefit of all. Surely in the process the lustre of parliament will be restored.

There are many members in this house who want to participate in this debate. Therefore I should like to move a motion to enable more people to participate in the debate in order that this question can be resolved—hopefully—before Christmas. I move, seconded by the hon. member for Rosedale (Mr. Macdonald):

That pursuant to standing order 6, subsection (6), this sitting be extended until 12 o'clock midnight tonight.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): I object.

The Deputy Speaker: All those members who object will please rise.

And more than ten members having risen:

Some hon. Members: Shame.

Mr. Deputy Speaker: Order, please. There being more than ten members who object, the motion cannot be put at this time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I now ask the hon. member the question he asked me to hold until he had finished his speech.

Mr. Perrault: Yes, Mr. Speaker.

Motion for Concurrence in Report

Mr. Knowles (Winnipeg North Centre): First of all, may I thank the hon. member for his reference to the things I said regarding this matter. Is it not a fact that all of the rules that limit debate to which the hon. member referred were rules that have been agreed to by the whole house, by all parties in the house? Is not the essential difference between this and the present rule 16-A just that? Are we not now being asked to accept a rule that is being supported by only one party in the house?

Mr. Perrault: The point I was endeavouring to make was that there is a widespread feeling on the part of responsible spokesmen of all parties that there must be major reform in the way that we conduct the people's business in the House of Commons. At no time have I suggested, nor do I intend to suggest, that there is unanimous agreement on the part of the hon. member for Winnipeg North Centre to all of the proposals made by the government with respect to procedure. But I think the hon. member made a very valid point when he talked about the manner in which estimates have been passed in Canada. Traditionally and historically there has not been sufficiently detailed study. I agree as well with some of the other criticisms he has made of present parliamentary procedures. These have been outlined in a number of excellent speeches that he has made in various parts of Canada.

Mr. Knowles (Winnipeg North Centre): But is not the meat of parliamentary reform agreement among all parties in the house, instead of having rules imposed upon us by the government?

Mr. Baldwin: Would the hon. member permit another question. In the course of his very interesting study of the statistical information that he gathered, did he observe that for two years in succession when this irresponsible Liberal government was the irresponsible Liberal opposition it took 75 days and 79 days respectively to deal with supply?

Mr. Perrault: I do have a quotation from the former prime minister in which he thanked Liberal members for their outstanding co-operation on the question of procedure in the house. I would be glad to table this quotation before we leave here tonight. It is to be found at page 6177 of *Hansard* for July 13, 1960. Talking of the Liberal members the former prime minister said:

> As far as possible we endeavour—and this brings in the co-operation that we have had from the opposition in recent days—to place before the house in ample time notice of the impending estimates ... At all times that must be the endeavour of both sides and I am sure that, having regard to the extent to which we have made satisfactory progress, we shall continue to work in that spirit of co-operation.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have listened with a great deal of interest to this debate. I have heard a number of brilliant speeches—for example, the speech made by the hon. member for York South (Mr. Lewis), by the former prime minister, the distinguished member for Prince Albert (Mr. Diefenbaker), the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Vancouver-Kingsway (Mrs. MacInnis). They were great speeches which proved to this house that parliament as a debating forum has a place in our national affairs. If hon. members want further evidence of this I would refer them to the brilliant speech made in this house on December 10 by the Leader of the Opposition (Mr. Stanfield).

I also listened to the speech just made by the hon. member for "what's his name"—the hon. member for Burnaby-Seymour (Mr. Perrault). I listened to it with interest but I still do not know what it was he was saying. All I heard was a recitation of what other people have said. I heard the hon. member compare parliament to a modern industrial organization. He likened it to a trade union. May I tell the hon. member that this is not an industrial organization or a trade union, it is the parliament of Canada. I have come to the conclusion that the hon. member for Burnaby-Seymour sat in opposition in British Columbia for far too long. Yes, Virginia, there is an hon. member for Burnaby-Seymour.

• (9:50 p.m.)

I like to think, Mr. Speaker, that the people of Canada are interested in this debate. They have heard a great deal about the function of parliament. Let there be no mistake about this: Parliament's main function is to represent the people of Canada. I resent the suggestion that we should subvert the traditional right of parliament to function by passing laws with a minimum loss of time. Why not do away with parliament altogether? Why bother with it? Why waste time? Why not have government by executive directive? Surely that has proven to be an efficient way to govern; totalitarian states seem to do it very effectively. Let us do away with parliament entirely. Our system is under attack

every day. We have violence in the streets. Violence is now accepted as an instrument of political action. The very people who advocate certain methods of reform and are the most outspoken critics of our traditional parliamentary procedures are loud in support of those who take to the streets in violence.

In my view you do not defend parliament by restricting it; and restricted it will be if we do away with committee of supply and adopt proposed rule 16-A. Every objective hon. member will agree that parliament must be strengthened, and that strengthening parliament means that we must reform the rules of procedure. But you do not strengthen parliament by weakening the opposition. You do not strengthen parliament by abolishing the traditional grievance procedure of private members of this house, or committee of supply. In my view the question before us is simple and goes to the root of the issue. Will parliament govern the country or will the government, representing as it does the huge bureaucracy in Canada, rule without parliament.

I was disappointed with the Prime Minister's speech during this debate. Despite his characteristic modernization he could not refrain from showing what I consider a basic dislike of this institution.

Mr. Bell: Shame.

Mr. McGrath: That dislike came to the fore when he referred to a filibuster. Under our rules there is no such thing as a filibuster. In parliament there is only debate. Take away the right to debate and you take away parliament. If parliament is to exist and if members of parliament are to discharge their responsibilities properly as representatives of the people, this institution must continue to be a meaningful forum for debate. I resent the unilateral use by the government of its majority in this house; I resent its unilateral attempt to impose new standing order 16-A which would limit debating time in advance of debate. That is closure in advance.

The Ottawa *Citizen* of December 12 had this to say about the new rules. The heading of the editorial is, "A dangerous reform plan", and it says in part:

> The allocation of time for debate is a necessary change, accepted by the opposition. What is unacceptable is that the cabinet should have the unilateral power to set debating time limits in advance—
>
> A chief function of the parliamentary opposition is to probe for weaknesses in government legislation. If it finds such weaknesses, it needs time to make the point for the general public and to rally opinion in the country. It is hard to see how that could be done under the present plan, especially if the government set out to prevent its being done—
>
> It would be a great mistake for the government to make use of its new majority to ram its own plan down the throat of the Commons.

The Prime Minister and the hon. member for Grenville-Carleton (Mr. Blair), the government's spokesman in moving this measure, have shown a complete disregard for the right of private members in this house to contribute by meaningful debate to the process of governing this country. Nobody questions the government's responsibilities or the responsibilities of the executive. But surely we have the right and the obligation to question the government's arbitrary use of the power it has in this house by virtue of its majority. In a rather slurring reference to the committee of supply the Prime Minister said at one point of the debate that hon. members tend to make speeches rather than probe for information. In my view the Prime Minister failed to distinguish between the deliberative function of parliament and the investigative function of the committee system.

I wonder if those hon. members who wish to discuss business they consider to be more important than the present debate would be good enough to do so outside the chamber.

May I call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

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

HIGHWAY SAFETY—INQUIRY AS TO SAFETY STANDARDS FOR TIRES

Mr. Barry Mather (Surrey): Mr. Speaker, a week or two ago on orders of the day I attempted to raise the question of tire safety in Canada, as this relates to the general question of automotive safety in Canada and the United States. At that time Mr. Speaker ruled my question out of order and I take the opportunity of discussing it again now. My question was and is prompted by the fact that whereas in the United States a good deal of attention is being paid to tire standards and specifications, to the retreading of tires and the grooving of bus, school bus and truck tires, with proper standards and specifications being established, so far as I know in Canada there is no bureau of tire standards. We have no specifications setting out what must be the quality of retreads and grooved tires.

Proceedings on Adjournment Motion

• (10:00 p.m.)

For quite some time now I have been interested in the whole question of traffic safety involving, as it does, the standardization of the quality of car parts and car repairs. The entire subject is currently under review in the United States by a senate subcommittee, and the Minister of Consumer and Corporate Affairs told us the other day that similar action might be taken here. I think we are living dangerously in Canada when we neglect to establish proper standards for tire safety, or to make adequate provision for tire safety checks and call-backs when tires are found to be faulty, as is the case in the United States should tires be found wanting after a safety inspection has been carried out.

When it comes to tire safety I think we depend too much on what our United States friends are exporting into this country. Tires are checked there to the extent I have indicated, but we do not provide our own Canadian standards, although we certainly have our own geographic and climatic conditions which affect tires used here.

Tire safety is just one aspect of automotive safety. Every week in the past few years at least 100 Canadians died on our roads and highways. Some 3,000 are injured, many of them to the extent that they might as well be dead. In economic terms, the toll runs to $600 million a year, including car insurance.

In the relatively short period of six years during which I have been a member of this house, 30,000 Canadians have died in traffic accidents and 950,000 have been injured. The economic loss amounts to more than four billion dollars. Mr. Speaker, this is a very warlike total, and tire safety, or rather the lack of tire safety provisions, is one of the reasons for these alarming figures.

My question was, in effect: "Having in mind reports concerning tires which were given safety tests in the United States and which failed such tests, and in view of the fact that some of these tires are imported into Canada, I want to ask when we are to have a testing bureau for tire safety with a system of call-backs for tires proven faulty?"

Mr. Yves Forest (Parliamentary Secretary to President of Privy Council): On behalf of the Minister of Transport (Mr. Hellyer) I wish to inform the hon. member with regard to the first part of his question, which he asked on December 5, 1968, that earlier this year all provinces adopted the standards issued by the Canadian Standards Association as the basis of their regulations governing the quality of tires sold in Canada. Hence, the entire matter of tire quality, including tire testing, the question of call-backs and the suspicion of noncomplying tires, is within provincial jurisdiction.

As to the second part of the question, we have heard of no cases of either the tire suppliers or the vehicle manufacturers issuing such notifications, but here again only the provincial departments can supply the answers.

CONSUMER AFFAIRS—APPLICATION FOR RATE INCREASES BY BELL TELEPHONE

Mr. John Gilbert (Broadview): On Friday December 6 I directed a question to the Minister of Transport (Mr. Hellyer) who redirected it to the Postmaster General (Mr. Kierans). My question was:

Is the minister aware of the application by the Bell Telephone Company of Canada to the Canadian Transport Commission requesting a sharp increase in telephone rates in Toronto, Montreal, Hamilton and other cities and if so is it the intention of the government to oppose such an application?

The Postmaster General (Mr. Kierans) replied:

Mr. Speaker, the application is before the Canadian Transport Commission. Since this is a court of record hon. members would not think it appropriate for me to make any remarks about this application.

I was surprised at this statement by the Postmaster General because in the past and in the present he has been pontificating on so many problems that Canadians have faced. I was shocked that he would shelter himself behind some legal principle regarding the Canadian Transport Commission being a court of record because he knows that the commission is responsible to the government which, in turn, is responsible to all the people in Canada. He also knows that the Bell Telephone Company has only 250,000 shareholders, that it has 5 million telephones serving Canadians, and that the company controls 70 per cent of the telephone industry in Canada.

The Postmaster General also knows that January 17 will be the last day for filing opposition to the proposed rates and, if he does not do it, then the opposition will have to come from the municipalities which are supplied the telephone services. As I say, I was shocked that he would give such an answer to such a question.

On May 4, 1966, the Board of Transport Commissioners announced that the company's

permissive level of earnings should range from 6.2 per cent to 6.6 per cent of total average capitalization. Last year it became apparent that the company's earning rate would rise to 6.7 per cent or 6.8 per cent for 1967 and 1968, and the Canadian Transport Commission asked what steps the company planned to take to reduce the rates. Now we have the Bell Telephone Company announcing that it has made an application to the Canadian Transport Commission to increase its rates. This came as a surprise to the other telephone companies within Canada.

An article by George Linton in the *Globe and Mail* of December 6, 1968 said that "Bell shares reach '68 high, up $1.87" on the Toronto stock exchange. His article added:

> The company's statement appeared to catch the smaller companies by surprise.
>
> B.C. Telephone said it had no plans to seek rate increases. New Brunswick Telephone said it also has no such plans—
>
> Maritime Telegraph and Telephone Co. Ltd. of Halifax has not applied for an increase in its rates, although the company faces the same factors that prompted Bell to seek an increase, according to D. W. Myers, Maritime's vice president and general manager—
>
> Quebec Telephone refused to comment on whether the company plans to seek rate increases.

There you have it, Mr. Speaker, that many of the other telephone companies within Canada had not planned on making applications for any rate increases.

Bell Telephone Company officials say the new rates are necessary to improve the company's financial position and its abilities to raise capital. The increase of 10 per cent would bring Bell $80 million, and if in effect for all of 1969 the company's return on invested capital would be 8 per cent.

We should also note that so far as this year's earnings are concerned analysts are estimating $3.25 to $3.30 a share, as compared with $3.16 in 1967. It is obvious that they are not anticipating any loss or any reduction in the earnings on their share capital.

Bell Telephone claims it will need $180 million in external financing in 1969, and if it were to go to the market for debt money it would have to pay around 8 per cent. Since 1967 Bell has raised $287 million by bond financing and its rates have ranged from 6.25 per cent to 7⅝ per cent. The most recent was this summer's $75 million issue in U.S. funds with interest at 6.9 per cent. Bell's over-all debt service cost is still below 6.2 per cent.

A few weeks ago on the program "Twenty Million Questions" the Postmaster General was asked questions concerning the communication systems in Canada, and in reply to a question by Mr. Jones he said:

> Well I think the problem that worries me the most is probably the international law aspects of communications; and secondarily the federal-provincial relations aspects of it. To go the second one first,—you know we have control over,—although I don't think the regulations are all that good,—over the Bell Telephone and the B.C. Telephone, but not over provincial telephone companies.

So you can see the Postmaster General is concerned about this communications problem and the regulations controlling this particular company.

• (10:10 p.m.)

The time has come for the government to do a study in depth to determine whether the Bell Telephone Company should come under public ownership. The main purpose of the Bell Telephone Company should be to provide the best available telephone service at the lowest possible rate. Telephone service should not depend on satisfying 250,000 shareholders that they are receiving a high return on their invested capital or the necessity of paying high interest rates on bonds for expansion capital. This is the reason many Canadians would like a government feasibility study of public ownership of our communications system.

If the Canadian Development Corporation had been set up and functioning Bell Telephone ownership by the corporation would at least have spread ownership to many more Canadians. Therefore I should like the Postmaster General to state whether the government is opposing the application by the Bell Telephone Company for the rate increase and whether the minister would announce the setting up of a task force to study the feasibility of public ownership of this company which is now operating for the benefit of only a few and certainly not all Canadians.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, for an opening remark, I think I can only repeat what I said before; that is, the Canadian Transport Commission is a quasi judicial body empowered to make its own decisions. Neither the government nor the minister of communications has any right or power to intervene in the judgment of the C.T.C. This is the reason it was set up. While I do not doubt the figures of the hon. member, I think that while they may have an

average rate of interest on their current outstanding bonds and debentures of 6.2 per cent, their problem would not be the past but the future, and the current cost of raising money is closer to 8 per cent. This is not said in any way to justify their decision to make the application at this time.

The hon. member, however, has raised an important point. The decision of the C.T.C. will be based, naturally, upon the information made available to it. To me the major issue that is raised is how complete will be the information that will be made public by the telephone company. In this regard the hon. member made reference to some doubt I have expressed about the completeness of information that we presently have. I should like to confirm that statement and say that on the basis of a preliminary assessment by my department much more information will be necessary in the future than heretofore.

The present information is insufficient for the department of communications, a department which as hon. members know is in the process of being established. Why? The function and the mandate of the department of communications it to create a national program and a national policy of telecommunications. We can only do that job if we have the necessary tools, and the essential tool is information on the state of Canada's telecommunications industry, the entire industry. I repeat that I do not believe we now have the information we need to make wise economic, technological and sociological decisions for the maximum benefit of the Canadian public. I say this not intending any inference in respect of the information before the C.T.C. to which the hon. member referred. This information will be judged upon its own intrinsic merits in respect of the long term development of communications in this country.

For that objective, and I am choosing my words with care, I intend to do everything necessary to ensure that the department of communications will be able to command the tools and have the information it needs to make a complete audit of the economic and financial fabric of Canadian telecommunications. Once that inventory is completed we can proceed to make rational decisions on telecommunications development. I am certain that with co-operation we will be able to obtain and compile that information and inventory. At any rate I can assure hon. members that I intend to spare no effort to make sure that the inventory is compiled.

[Mr. Kierans.]

SPORTS—HOCKEY—INTERFERENCE WITH FREEDOM OF CHOICE OF YOUNG PLAYERS

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, my question arises tonight, addressed to the parliamentary secretary to the Minister of National Health and Welfare, and involves a complaint I have had from my riding, specifically from Stoney Creek, Ontario. It arises from a letter I received from one Karl Beckwick, Stoney Creek and dated December 3, 1968 in which he says:

Dear Sir:

It was suggested to me by John McLellan, a neighbour, to write a letter to you. Apparently my boy, Jim, is in the same predicament as young Frank McLellan.

We were informed in a letter from the Ontario Minor Hockey Assoc., that Jim can no longer play hockey for the Saltfleet team—

This is a ridiculous situation. Jim has played for Saltfleet for four years. We still reside at 15 Durham Road. There has been no amalgamation or annexation of our area, and certainly the Saltfleet club has not released Jim.

It escapes me, why, all of a sudden there are changes made by the Ontario Minor Hockey Assoc., after the boy has become so well established with his home club. I can't see how he can be forced to play for a strange club, and leave all his friends that he has skated with and gone to school with all these years. It is preposterous.

Recently there have been a number of this type of complaint received from this area. It has been widespread that throughout Canada the tentacles of professional sports organizations and commercial enterprises are creeping in to take control of boys of school age, who should be getting the opportunity to play amateur hockey. We will never really get a well trained team in this country, and we will never be able to develop our youth with the proper spirit of sports when this type of practice is widespread.

It appears the coaches of some of these teams have been notified by the president of the Ottawa Minor Hockey Association that certain boys are prohibited from playing for their home teams. The parents of these boys strenuously object on their behalf and I protest on their behalf this unwarranted interference with a boy's right to play for his home team, in this case Stoney Creek or Saltfleet. Is this not a matter which should be investigated by the task force on amateur sports? If anyone questions the constitutionality of this matter I submit it is an example of professional control of amateur sports. When this matter is investigated in detail it will become quite apparent that this is what has happened.

I am suspicious of the monopolistic control of amateur sport by commercial interests. We will never get a world championship hockey team by destroying the free right to choose a team, and by stifling the spirit of these boys. There is far too much interference by commercial groups with the careers and rights of these boys in Canada, and I believe an inquiry by the task force will bring out into the open the nature and extent of this abuse. Can we not free the boys from this power? I ask the minister to make an investigation into this matter.

• (10:20 p.m.)

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, from the comments of the hon. member for Hamilton-Wentworth (Mr. Gibson), one would think that he plays on the same team as the Minister of National Health and Welfare (Mr. Munro). I should like to reassure the hon. member by quoting some remarks the hon. minister made in Moncton on November 23, 1968 when he was talking about the need to give a new status to amateur sports. I quote:

> These measures include several changes. First of all, if professionals really want to respect such a system of hockey, they must let each player decide for himself whether he wants to play on a national or an amateur team, such as a university team, for example, and how long he wants to be a part of that system. Consequently, they must stop pressing the young to enter a professional league at the earliest opportunity, and that means they must stop any pressure they apply during the whole school year.
>
> Any premature signing of contracts, whether public or private, must cease. Businessmen cannot be permitted to buy and sell young athletes as if they were real estate. Hockey players are not chattels.

I want to assure the hon. member that this very problem is on the agenda of the task force. Meetings have taken place between the task force and the amateur and professional hockey associations and all those interested in this problem on a national level.

A report by the task force is expected early next year. I think their recommendations will contribute to raise our national and amateur sport to olympic standing which will make us proud while it will respect the freedom of the people.

[*English*]

Motion agreed to and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, December 17, 1968

The house met at 2.30 p.m.

FINANCE

EXCHANGE OF CORRESPONDENCE WITH U.S. RESPECTING BALANCE OF PAYMENTS

Hon. E. J. Benson (Minister of Finance): I should like to table copies of letters which were exchanged yesterday between the secretary of the United States treasury, Hon. Henry H. Fowler, and myself.

These letters review the unique financial relationship between Canada and the United States and the continuing exemption for Canada from the balance of payments programs of the United States. They repeat the judgment of both governments that a continued improvement in the international payments position of the United States is important for Canada and for the international monetary system as well as for the United States. They confirm the assurances of the Canadian government that Canada's exemption from the United States balance of payments programs will not be used in such a way as to endanger the success of those programs. In particular I have reiterated that it is not an objective of Canadian policy to achieve permanent increases in our exchange reserves through unnecessary borrowing in the United States.

At the same time the secretary of the United States treasury and I have agreed that the implementation of this principle does not require that Canada's reserve level be limited to any particular figure, and that our reserves may be expected to fluctuate to accommodate the adaptation of monetary policy to the changing needs of our domestic economy, seasonal influences, and other influences of a temporary nature.

I propose, Mr. Speaker, with the permission of the house that the texts of these letters be appended to *Hansard*.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Hon. Marcel Lambert (Edmonton West): I wish to thank the minister for letting me have a copy of this correspondence. I do not think it would add anything to the situation simply to say that both countries believe it is in their interest to occasion destabilizing influences on their respective currencies which might inhibit the other country in the pursuit of its own economic objectives.

I note the very general terms in which the minister has indicated that the $2.55 billion, which he calls a target figure and which has long been recognized as the ceiling, is now subject to temporary deviation. As a matter of fact it may be that for all practical purposes it has gone. If this is the true result then I would say it is a step in the right direction. For over a year now I have been saying that this restriction has been strangling us in Canada. Indeed, I would say to the minister it is very fortunate that Canada has been able to obtain this relaxation, though why a ceiling was ever imposed is something one will always question.

As I say, it is fortunate that Canada is not now caught by this limit, because before long the hon. gentleman would have been obliged to go into the market to raise funds had this ceiling not been removed. After all, we know that long term interest rates are now at the highest point ever. Last week the average rate on government long term obligations was up to 7.16, and this would have occasioned an increased movement of foreign funds into Canada.

• (2:40 p.m.)

The result would have been that the Minister of Finance, through the Bank of Canada, would have had to go into the market to sweep up these excess foreign funds, particularly United States funds, in order to limit our holdings to the $2.55 billion figure. The government would have had to go into the market to raise the cash in order to have the money to buy up this United States foreign exchange. This has been obviated. I trust the government will now have a more effective tool in dealing with the problem of inflation. As a matter of fact we are still facing that problem, but this might be allowing the government a bit more room for manoeuvre. We have not yet got rid of all the shackles that the action back in 1963 and 1964 brought on, but I am glad to see that after a

lot of prodding the government has taken active steps to have this ceiling removed.

Mr. Max Saltsman (Waterloo): Mr. Speaker, these documents that have been tabled raise more questions than they answer. Up to now we have had our hands tied by agreement with the United States, and despite repeated questions to successive ministers of finance the indication was given that it really was not terribly important and that we were not being restricted in any serious way. Now we come out with a euphemism which in effect removes this agreed upon or understood ceiling, and we wonder why.

The only conclusion I can come to is that the government is not satisfied with restrictive fiscal policies. It now proposes to go into restrictive monetary policies and wants to raise interest rates beyond the tremendous levels they have presently reached. There might be some agreement on behalf of the government, if it is going to ease up on its fiscal policies in return for tightening up on monetary policies, that this would be a good thing; but there does not seem to be any evidence that the government is the slightest bit concerned about the restrictive policies it has been pursuing, which makes those of us on this side of the house very cautious about what the government is attempting.

We cannot see that this change is going to be of very great benefit to the country unless there is a basic change in the government's attitude, because as matters now stand if the government continues with this attitude all this does is give it an additional restrictive weapon. We could live with one of two policies, either some kind of fixed ceiling on our reserves or a fixed exchange rate, but we could not live with both. The government had a bit of a choice. It could have gone to a flexible exchange rate and forgotten about this aspect of the thing, although I think both should have been done. A flexible exchange rate would have given us the kind of opportunity of freedom this country needs to pursue expansionary domestic policies.

The letters that have been tabled give no indication that they are going to be of much help to this country. I might refer to a statement in Mr. Fowler's letter, where he says:

> These relations have served the interests of both our countries without interfering with the domestic policies of either.

I would like to say that I do not agree with that statement.

[Mr. Lambert (Edmonton West).]

These measures have seriously interfered with our ability to pursue domestic policies in this country, and the present Minister of Finance is going along with these measures as have past finance ministers. It is time we put an end to this. It is time we went to a flexible exchange rate so we could pursue domestic policies of our own without being tied hand and foot to the policies of another country which may not be in our interests.

Therefore the minister has a lot to answer beyond what is contained in these two letters. The question he has to answer to this parliament is this. Is he going to get this economy going or is he going to use these new measures to clamp down even further on the growth of this country and create higher unemployment?

BUSINESS OF THE HOUSE

ANNOUNCEMENT OF CHRISTMAS RECESS—CONSIDERATION OF ANTI-DUMPING LEGISLATION

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, if I may I would like to make a statement about two items of the business of the house. First, the right hon. member for Prince Albert inquired yesterday about the Christmas recess. I want to indicate to the house that I will be putting on the order paper a notice of motion for adjournment of the house until Tuesday, January 14, 1969, and it would be my proposal that the house rise for the Christmas recess with the adjournment of the sitting day this coming Friday, December 20.

The second matter concerns consultations about today's business. There have been discussions among the house leaders. I think there might be general agreement to a proposal to change the order of business for today and tomorrow so that we might bring forward the ways and means resolution dealing with anti-dumping and the bill consequent upon it. Therefore it might be appropriate for the house to make an order containing two elements; first, the anti-dumping resolution and the bill consequent upon it would be given priority today and if necessary tomorrow over other business under government orders; and second, if the resolution and/or the bill be not passed before the ordinary time of adjournment tomorrow, Wednesday, December 18, all questions necessary to carry the resolution and the bill would be put prior to the moment of adjournment.

If there is general agreement perhaps we could have an order to that effect made by the house right now.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we are in agreement to that which represents a collective effort in consultation and agreement, which we think is most appropriate to the house.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the attitude taken now by the minister I wonder whether he would add as well to the motion to be passed today the adjournment of the house on Friday evening. Why come back again? Let us finish that up.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, with regard to the house order proposed for today and tomorrow I am happy to say that the statement made by the government house leader is correct. I may say on behalf of those in this party that we are happy to agree to it. Perhaps I might draw attention to the point that it is possible to decide these things by agreement rather than by compulsion.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we of the Ralliement Créditiste approve the changes in the procedure, in order to enable the government to pass the anti-dumping legislation which must come into force on January 1 and also to show that we understand the problems facing the government in connection with that measure as well as the others which could arise. Therefore, we are ready to co-operate even if we do not approve the terms of the proposed standing order 16A.

[*English*]

Mr. Speaker: The house has heard the proposal outlined by the President of the Privy Council (Mr. Macdonald). Is it so ordered?

Some hon. Members: Agreed.

CANADA ELECTIONS ACT

PROVISION FOR PROXY VOTING BY HANDICAPPED AND AGED

Mr. Louis-Roland Comeau (South Western Nova) moved the first reading of Bill No. C-145, to amend the Canada Elections Act. (proxy voting).

Some hon. Members: Explain.

Inquiries of the Ministry

Mr. Comeau: Mr. Speaker, the purpose of this bill to amend the Canada Elections Act is to provide voting facilities to physically handicapped persons and aged citizens by allowing them to vote by proxy.

[*Translation*]

Many Canadians, Mr. Speaker, are unable to go to the voting poll on election day, as a result of a physical disability. This bill will enable those persons to exercise their right to vote and, in my humble opinion, it will assure them from now on a fuller participation in our democratic system.

Motion agreed to and bill read the first time.

[*English*]

• (2:50 p.m.)

LABOUR CONDITIONS

NEWFOUNDLAND—UNEMPLOYMENT RESULTING FROM FISH PLANT CLOSING

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, yesterday I asked the Prime Minister whether he could announce any emergency measures planned by the government for the groundfish industry in view of the announcement by Unilever that four Bird's Eye plants in Newfoundland will close their doors, and he suggested I should direct my question today to the Minister of Fisheries.

In view of the serious economic situation in Newfoundland has the Minister of Fisheries any report to make to the house about the outcome of his discussions today with provincial fisheries representatives and members of the industry concerning emergency aid for the Atlantic provinces groundfish industry?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, as the hon. member has said we are currently holding meetings with the industry and representatives of the government of Newfoundland concerning the financial difficulties the grounfish industry in Newfoundland is in. These meetings are continuing this afternoon. We are discussing among other things a report by consultants which has been prepared over the past 12 months and which goes into detail in respect of the positions of companies in the Atlantic region.

While the discussions will be completed today and will be followed by other meetings, I do not expect we will be in a position to announce any basic solutions or make policy statements today.

Inquiries of the Ministry

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the minister whether the government is prepared to accede to the request of the government of Newfoundland to continue the program of deficiency payments until the government can come up with a policy to meet this matter.

Mr. Davis: We have had a program in effect during the past summer which cost about $4,500,000. It was a crash program in a form which cannot be continued, or certainly not in that precise form. We will have to make other arrangements.

[*Later:*]

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Fisheries. Yesterday I asked if invitations had been extended to the members from the Atlantic region to negotiations between the federal minister and the trade. Have such invitations been extended? If so, what is the present status of this arrangement?

Mr. Davis: Mr. Speaker, I might take this opportunity to invite hon. members of the Atlantic region to join me tomorrow and we will discuss what took place today.

BILINGUALISM AND BICULTURALISM

IMPLEMENTATION OF RECOMMENDATIONS IN SECOND COMMISSION REPORT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister and ask whether he and his colleagues have had the opportunity to study volume II, entitled "Education" of the final report of the B and B commission. Can he inform the house as to the company's—the government's—position on that volume? I keep hearing "board of directors" so often that I think of "company". Could he indicate the government position on the recommendations in that volume and whether it supports them?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, all I can tell the shareholder—excuse me, the hon. member of parliament—at this time is that we have not completed the study of the volume and we are not in a position to state any policy regarding it.

Mr. Lewis: Has the chairman of the board of directors, the right hon. gentleman, been in touch with the provinces regarding this report, requesting them to study it and asking them for their position regarding the recommendations?

Mr. Trudeau: No, Mr. Speaker.

[*Later:*]

Mr. S. J. Korchinski (Mackenzie): I should like to address a question to the Prime Minister. Despite the recent report of the B and B commission, will the Prime Minister give recognition to the recent thinkers' conference at Toronto which dealt with the multicultural aspects of Canada? Will he appoint a subcommittee, if necessary, to study and report on the possibility of promoting the multicultural aspect of our Canadian society?

Mr. Trudeau: Yes, Mr. Speaker, this matter of cultural minorities in Canada is very much present in the government's mind and forms an important part of our policy. On Saturday I had a most fruitful meeting with the Ukrainian organizations in Winnipeg. We discussed this question at great length, but I would remind hon. members that the B and B commission intends to make a separate report on the role of cultural minorities. It might be wiser, before laying down our policy in a final way, to await the publication of this report.

Mr. Korchinski: A supplementary question, Mr. Speaker. Will consideration of the first report be suspended until the subsequent report is received?

Mr. Trudeau: No, Mr. Speaker, this is not necessary. I see no reason for it.

OIL

STUDY OF DEVELOPMENTS IN ALASKA AND NORTHERN CANADA

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question I have asked on previous occasions. Some days ago the Prime Minister and the Minister of Industry, Trade and Commerce stated they thought it was a good idea to look into the setting up of an immediate commission or study task force to examine the whole petroleum picture in Canada in relation to the effect of the northern and, in particular, the Alaskan development on our industry. Has a decision been reached as yet by the government to set up such a study group, commission or task force?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, when the hon. member asked

his question the other day I did say I would look into it with the minister. We have had discussions on it, but I should not like to report what he has in mind at this stage. My feeling is that he is not yet prepared to set up a task force or commission. I do not think he is satisfied that the National Energy Board cannot do the job just as well. But I do not know whether he has made any final decision on this matter.

Mr. Woolliams: Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the uncertainty in the industry, would the Prime Minister consider sending to Washington, after careful briefing, a committee composed of senators and members of parliament representative of all parties in the house to find out the American thinking on a new oil policy for Canada and the United States so far as it affects Canada, particularly in view of the fact that a new secretary of the interior has been appointed by the president-elect of the United States?

Mr. Trudeau: Mr. Speaker, most suggestions made by the hon. member are worthy of consideration, and I would agree to consider this one. I do feel, however, that until the government itself is in a position to formulate its views on the whole question of a new oil policy for Canada, it might be premature to send such a delegation to Washington. In other words I would prefer, again, that the minister be in a more definite position before taking that step.

[*Translation*]

CANADIAN CONSTITUTION

INQUIRY AS TO NEW DATE FOR CONFERENCE

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

In view of the fact that some of the provinces seem to agree that the federal-provincial conference should be held in February while others want it to be held as soon as possible, in January, could the right hon. Prime Minister tell us whether new arrangements have been made to hold this conference earlier than expected, as he had announced?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. After consulting the premier of British Columbia, for whom the beginning of February was a most inconvenient time, we suggested other dates, which also fall within the first two weeks of February, but on days which the premier of British Columbia finds more convenient. I suggested these dates to the other provinces. I have received some affirmative answers, but all the provinces have not yet answered, and so I cannot say that the date has been definitely settled.

[*English*]

HOUSE OF COMMONS

PROCEDURE—FURTHER COMMITTEE CONSIDERATION OF CERTAIN PROPOSED CHANGES

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Prime Minister a question. Now that the advantages of sweet reason and co-operation have been demonstrated, would the right hon. gentleman not seriously consider discussing with his colleagues the possibility of withdrawing those parts of the proposed new rules which are totally unacceptable to a great many members of this house and to many people in Canada, referring them back to the committee and passing the rest of the rules, so we will come back here in the new year under a completely new régime?

Some hon. Members: Hear, hear.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, it seems to me the question may be a bit premature. There is still to be debate and speakers on this matter, I understand on Thursday and Friday of this week. I therefore would not want to make any commitment now. But I would be happy to hear from the opposition that the agreement reached today on one measure through co-operation, will bind them always to co-operate with our suggestions in the future.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Not on behalf of tyranny.

An hon. Member: That is not the Christmas spirit.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

SUGGESTED INCREASE IN TAXING POWERS OF PROVINCES

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Inquiries of the Ministry

In view of the forthcoming federal-provincial meeting of the Ministers of Finance, would the minister tell the house whether the government intends to hand over certain taxation rights to the provinces so that they can honour their commitments, as the Quebec Minister of Finance mentioned last week-end?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would simply like to say that we must retain certain taxation powers in order that we can face our responsibilities to the people of Canada.

[*Translation*]

Mr. Asselin: Mr. Speaker, a supplementary question.

Is it the intention of the Minister of Finance to submit proposals to the provinces so that they can be prepared to meet their financial obligations?

[*English*]

Mr. Benson: Mr. Speaker, of course I will be speaking with the ministers of finance of the provinces and with the provincial treasurers on Thursday. We will listen with understanding to their problems, and I also hope they will listen with understanding to ours.

[*Translation*]

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

I would like to know whether the Minister of Finance is going to suggest, on behalf of the government, an amendment to the constitution concerning the financial jurisdiction of the federal government and the provinces, so that the provinces may honour their obligations?

[*English*]

Mr. Benson: Mr. Speaker, I think this is a matter that would have to be discussed at the constitutional conference. If there is to be a reallocation of powers agreed upon under the revised constitution, then of course there must also be a reallocation of means for meeting the revised responsibilities in the hands of the provinces or of the federal government.

NATIONAL REVENUE

REQUEST FOR REDUCTION IN PROPOSED ESTATE TAXES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Minister of Finance a question. We are approaching Christmas, and although the Minister of Finance is not usually Santa Claus could he give some hope to the Canadian people that the confiscatory rates, which as he has announced will be imposed under inheritance and estate taxes, if parliament accepts the measure, will be considerably reduced when the legislation is presented?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I cannot give any hope for a reduction in the rates. The rates were designed to free from estate tax the movement of estates from husband to wife, and other rates had to be adjusted. I should like to point out to my hon. friend that on estates of $200,000 to $250,000 passing on to children in some instances the taxes are lower under the new estate tax than they were under the previous legislation.

Mr. Diefenbaker: Mr. Speaker, a $200,000 estate does not interest me one bit. What I am asking is, what about those tremendous rates that the minister is going to impose? After the husband dies his wife inherits his estate, and after she dies the estate will be almost completely wiped out by heavy taxation. Does the minister not think some relief is due to the Canadian people from such a hold-up?

Some hon. Members: Hear, hear.

Mr. Benson: Mr. Speaker, I know $200,000 to $300,000 is far below what my right hon. friend would consider as an estate. However, I should simply like to repeat what I said, that in some instances when a family farm worth $200,000 to $300,000 is passed on to children, the estate taxes under the new law will be smaller than they are at present.

EXTERNAL AFFAIRS

INQUIRY AS TO COMPLETION OF FOREIGN POLICY REVIEW

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Prime Minister. There have been some news reports indicating that the Prime Minister stated at a meeting last Friday that Canada's present commitment in NATO will be maintained. I should like to ask the Prime Minister whether the government's present foreign policy review as it relates specifically to our NATO commitment has been concluded and a decision taken.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the premise is not in accordance with the facts. I have never said that, nor have I seen it reported anywhere.

Mr. Schreyer: I have a supplementary question, Mr. Speaker. May I ask the Prime Minister whether the government's present review of foreign policy has been concluded in so far as it relates to our NATO commitment.

Mr. Trudeau: No, Mr. Speaker.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wonder if I might ask a supplementary question and address it to the Secretary of State for External Affairs. Can he tell us whether the review of our external and defence policies includes an examination of the problem posed by NATO aid being used to bolster military dictatorship which disregard the rule of law and fundamental human rights but are still within the treaty?

Mr. Speaker: Order, please. I wonder whether the question is not too wide in scope to be asked at the present time. However, perhaps it might be allowed and the minister permitted to reply.

Hon. Mitchell Sharp (Secretary of State for External Affairs): If the hon. gentleman was referring, for example, to the question of Greece which has been in the news recently, I can say that the only military aid we are giving to that country consists of some spare parts for training aircraft. We are not supplying any ammunition, weapons, or any kind of offensive military equipment.

[*Translation*]

LABOUR CONDITIONS

VALLEYFIELD—CLOSING OF TEXTILE PLANT

On the orders of the day:

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I intended to put a question to the hon. Minister of Manpower and Immigration of which I had given him notice but, in his absence, I shall direct it to his parliamentary secretary.

Can the hon. parliamentary secretary to the Minister of Manpower and Immigration tell us whether, since this morning, the minister has had conversations with the officials of the Chemcell division of the Canadian Celanese Company with the view to minimizing as much as possible the harmful effects of the unexpected announcement of the closing down of that company's dyeing plant at Valleyfield which will lead to the lay-off of 150 employees next February?

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the minister was indeed advised yesterday afternoon of the closing down of that plant; as early as this morning, and even now, the officials of the department are conferring with the officials of the company to find the necessary solutions towards minimizing the problem of the workers.

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

As I conveyed the news myself yesterday afternoon to the minister, can the parliamentary secretary tell us whether the department might be interested in resorting to the good offices of the member for Beauharnois to draw up an efficient program to find—

Mr. Speaker: Order.

Mr. Laniel: —without delay a solution to the problem?

Mr. Speaker: Order. The member for Sainte-Marie.

CANADIAN BROADCASTING CORPORATION

MONTREAL—INQUIRY AS TO CONSTRUCTION OF BUILDING

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

Could he tell us whether he has approved the estimates necessary for the construction of Place Radio-Canada, as recently announced by the Secretary of State?

Hon. C. M. Drury (President of the Treasury Board): A contract was approved this morning by the governor in council, Mr. Speaker.

Mr. Valade: I should like to ask a supplementary question, Mr. Speaker.

Could the President of the Treasury Board tell us the amount authorized by the Treasury Board and whether this amount is to cover the whole work or only part thereof?

Inquiries of the Ministry

Mr. Speaker: Order. The information requested by the hon. member cannot be properly given during the question period.

[*Later:*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I should like to put a question to the hon. Secretary of State or to his parliamentary secretary which stems from the reply given a while ago by the President of the Treasury Board.

I should like to know whether the Secretary of State will soon announce officially the start of construction of Place Radio-Canada.

Mr. Robert D. G. Stanbury (Parliamentary Secretary to Secretary of State): Yes, Mr. Speaker, I hope this announcement can be made either today or tomorrow.

[*English*]

FISHERIES

PROPOSED POLLUTION OF LAKES FOR RESEARCH PURPOSES

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of Fisheries concerning the statement that the federal Fisheries Research Board is polluting 56 small lakes and 17 watersheds in northern Ontario. Would the minister care to comment on that statement and on what is the purpose of such action?

Mr. Speaker: Order, please. The hon. member cannot simply ask the minister to make comments; he has to ask a specific question.

Mr. Rynard: I should like to ask the minister, then, whether he intends to take any action in this matter.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, this is not a matter of pollution but rather a matter of controlled enrichment. Fertilizers such as phosphates and nitrates are being introduced into a number of small ponds. This is a controlled process. The enrichment process can be followed by a de-enrichment process whereby the lakes can be returned to their original state. This experiment is being carried out in co-operation with the department of lands and forests of Ontario, and the situation is under control.

[Mr. Valade.]

VETERANS AFFAIRS

PAYMENT OF RETROACTIVE SALARY INCREASES TO HOSPITAL SERVICES GROUP

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I promise not to add an ounce of pollution to the question I am about to ask of the Minister of Veterans Affairs and of which I have given him notice. The urgency arises from the approach of Christmas and the coming into effect of a certain tax on January 1. Is the department doing what it can to issue the back pay raises to its housekeeping and steward forces, recently negotiated, before the end of the year; and with what results?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I wish to thank the hon. member for giving me notice of his intention to ask this question. In the same Christmas spirit I am very happy to report that the great majority of the hospital services group have already received their retroactive pay increases, and the remainder are being processed as quickly as possible.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary question directed to the Minister of National Defence and his charming seatmate. I wonder if I can ask him now if he is in a position to advise the civilian employees of the Department of National Defence whether they will get their retroactive pay before January 1. If not, would they consult their colleagues on the treasury benches to see if those cheques could not be back-dated to some date in 1968 if it is necessary to issue them in 1969.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I do not make a daily check on this question, but the last time I did check my information was that the prospects were reasonably good that these cheques would be out on time.

HEALTH AND WELFARE

PREPARATIONS TO MEET POSSIBLE 'FLU EPIDEMIC

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of National Health and Welfare. In view of repeated warnings from United States authorities can the minister tell us what

preparations our own federal health department has made to meet a possible epidemic of Hong Kong 'flu over the Christmas season?

Hon. John C. Munro (Minister of National Health and Welfare): I would advise that we have not had very many cases of this particular disease in Canada. So far only about 100 cases have been reported, and they have been relatively mild. Since the summer the food and drug directorate have been doing everything possible with United States and Canadian companies to urge the manufacturer of this particular antitoxin. We hope we will have a supply in Canada by mid January.

Mr. Muir (Cape Breton-The Sydneys): A supplementary question, Mr. Speaker. Can the minister advise the house at this time whether a sufficient supply of antitoxin will be available in this country, and whether the medical profession will have a supply to deal with this very dangerous disease?

Mr. Munro: It will be distributed on a priority basis. These are subjective judgments and are very difficult, but the health authorities will have to make them, such as the elderly first and so on. The difficulty in the manufacture of this antitoxin is being overcome by companies that have permission to make it both in the United States and Canada.

Mr. P. B. Rynard (Simcoe North): I should like to ask the Minister of National Health and Welfare a supplementary question. Is he making any arrangements to have the members of the house inoculated, as they have been in the past?

Mr. Munro: It is questionable whether members of parliament are considered priority persons.

EXTERNAL AID

BIAFRA—SUGGESTED DONATION OF SURPLUS FOOD AS CHRISTMAS GIFT

On the orders of the day:

Mr. Lorne Nystrom (Yorkton-Melville): On Friday, Mr. Speaker, I asked the parliamentary secretary to the Secretary of State for External Affairs a question concerning the Christmas ship to Biafra. Today I want to ask the Secretary of State for External Affairs a similar question. Would the Secretary of State for External Affairs consider a donation on behalf of Canada of surplus food for Biafra which would be shipped via the Christmas ship which is scheduled to leave New York early in January?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As hon. members know, I have received a letter on behalf of members of parliament in which we were specifically asked if we could supply some surplus food. This matter is still under investigation.

Mr. Nystrom: A supplementary question, Mr. Speaker. Since this is an international project and since the government of Holland have endorsed it, does the Canadian government intend to encourage the Canadian people to support the project?

Mr. Sharp: If it would be any help, I should like to support it and I hope all members of parliament will support it most generously.

IVORY COAST—REPORTED REFUSAL OF GIFT OF WHEAT

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I ask the Secretary of State for External Affairs now to give a report of the circumstances surrounding the refusal by the Ivory Coast to accept Canada's shipment of wheat, as the Prime Minister suggested the minister would do today?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the matter is still under discussion with the governments concerned.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

Could he tell the house whether the former member for Champlain is employed by his department and, if so, in what capacity?

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

[*Later:*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Minister of Public Works.

Could he tell the house whether the construction of post offices which had been postponed last year and promised for this year will be carried out in spite of the cancellation of winter works?

Inquiries of the Ministry

[*English*]

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I must have some details about the post office. If the hon. member would care to give me a note about it I should be glad to make some inquiries.

PRIVILEGES AND ELECTIONS

CONSIDERATION OF MOTION RESPECTING TRANSPORT COMMITTEE REPORT

On the orders of the day:

Mr. James A. McGrath (St. John's East): My question is for the house leader, but in his absence I should like to direct it to the hon. member for Montmorency in his capacity as chairman of the committee on privileges and elections. I should like to ask the hon. gentleman what became of the motion passed in this house in connection with my question of privilege, referring the report of the standing committee on transport and communications to the committee on privileges and elections. This motion was passed on December 10.

[*Translation*]

Mr. Ovide Laflamme (Montmorency): Mr. Speaker, the report of the proceedings of the sitting on November 28 was prepared, translated, printed and distributed today only. I got in touch with the whip of the opposition who gave me the names of two members of the Conservative party who were supposed to sit on the agenda subcommittee. This afternoon the notice calling for a meeting of the subcommittee tomorrow was sent out by mail to its members. If tomorrow the members of the subcommittee express the wish to sit on Thursday or Friday, if need be, we shall do so.

[*English*]

BILINGUALISM AND BICULTURALISM

POLICE INVESTIGATION INTO LEAKS OF COMMISSION REPORTS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): I have a question I should like to direct to the Solicitor General. In view of the fact that *La Presse* has published documents obviously stolen from a royal commission, is it the position of the crown that a charge of receiving stolen goods is warranted against the newspaper?

[Mr. Latulippe.]

Mr. Speaker: Order, please. I have some doubts whether the question as asked is in order. The hon. member is asking for the expression of a legal opinion by the Solicitor General. Perhaps the question could be worded in some other way which might make it acceptable under the rules.

Mr. Alexander: I should like to raise a point of order, Mr. Speaker. I believe it is necessary at this particular time that we know in which direction the government is going. It seems that a major investigation is now taking place which involves several people and might involve the newspaper which did print the allegedly stolen material. I feel this is the type of question which should be asked and answered in order to protect those concerned. I ask Your Honour's indulgence in this regard.

Mr. Speaker: In my view the question is clearly out of order. I do not see how I can accept it. Perhaps the hon. member might give the matter some thought and seek the information in some other way when I recognize him again.

Mr. Alexander: Perhaps I could rephrase this question. May I ask the Solicitor General, are there any charges to be laid as a result of the investigation now being made by the R.C.M.P., and if so, against whom?

Hon. G. J. McIlraith (Solicitor General): There is an investigation going on at the present time. While that investigation is going on it would be quite improper for me to make any comment upon it. Until it is completed I have no comment to make whatever. When it is completed I will be glad to answer questions about it.

Mr. Alexander: A supplementary question, Mr. Speaker. Will the minister advise the house whether he obtained copies of the supporting material used to obtain the search warrants to which reference was made yesterday; and is he now ready to let the house know what this information was?

Mr. McIlraith: Yesterday I indicated that I would undertake to find out what information was used or what form the giving of the information took before the judge, because the form of these hearings varies rather sharply across the country. I do not have a complete report on that. I understand there was no evidence as such taken at the hearing, but I am trying to find out what if any documentation there was. If there was any I will bring it before the house as I said I would.

ADMINISTRATION OF JUSTICE

TORONTO—HOLDING OF INDIAN GIRL IN JAIL

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I address a question to the Minister of Indian Affairs and Northern Development. Will he investigate the circumstances under which an 18 year old Canadian Indian girl unable to raise bail was detained in the Don jail at Toronto for more than one month, after which time the charge was withdrawn?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I read that article and I have asked my department to investigate. As soon as I know the answer I shall be pleased to inform the house.

[*English*]

Mr. Gleave: A supplementary question, Mr. Speaker. Will the minister also investigate why apparently no assistance was given to this girl by the department?

POST OFFICE DEPARTMENT

APPLICATION FORM FOR SECOND CLASS MAILING PRIVILEGES

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Postmaster General. It concerns a three page application required from newspaper publishers applying for second class mailing privileges and the annual fee of $15 charged by the department to study all such applications. Would the minister take the opportunity soon to table such an interesting, costly and obviously very complex document?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I would be very glad to.

HOUSING

REPORTED INTENTION TO INCREASE MORTGAGE INTEREST RATE

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is for the Minister of Transport but in his absence may I direct it to his parliamentary assistant. Is it contemplated that Central Mortgage and Housing interest rates will be increased from the current 8¾ per cent to a new, proposed rate of 9¼ per cent?

NATIONAL DEFENCE

SUGGESTED NEW ROLE FOR DEFENCE FORCES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Prime Minister. It is concerned about the recent suggestion made by Dr. O. M. Solandt, chairman of the research council, that Canada should consider converting its armed forces into a sort of global public works corps for the underdeveloped countries. Is this suggestion being considered by the government?

Mr. Speaker: I suggest to the hon. member that that question is of very general scope, and I do not feel it is so urgent that it should be allowed at this time. However, since the hon. member appears ready to argue in favour of allowing the question to be asked it might be wiser to allow the Prime Minister to answer.

Some hon. Members: Oh, oh.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have said that our review is a general one, and that we welcome all kinds of new ideas. I must say this is a new idea, but not so new that I have not also discussed it myself with other people in the past months.

Mrs. MacInnis (Vancouver-Kingsway): A supplementary question, Mr. Speaker. In view of Dr. Solandt's past experience as founder of the research board will he be asked by the government to expand on his suggestion?

INDIAN AFFAIRS

REQUEST FOR INVESTIGATION BY ROYAL COMMISSION

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question to the Prime Minister is prompted by similar questions which were asked in the house yesterday by the hon. member for Skeena and other hon. members. The Prime Minister must be aware of the extremely difficult situation which Canadian Indians and Eskimos face as the result of an apparent breakdown of government policy.

Mr. Speaker: Order, please. The hon. member knows he ought to ask questions and not preface his remarks by the type of statement he has made. Will he kindly ask his question.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I was just leading up to it. Will the

Prime Minister consider instituting a royal commission of inquiry to look into the affairs of our native Indians so that our native populations in general will have the assurance that something is being done to correct these situations which certainly smack of serious injustice?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I should like to reply to that question.

First of all, I should like to tell the hon. member that last week-end I visited the Indians of Nova Scotia and New Brunswick. They told me that it was one of the first times a minister had gone out of his way to go and meet them in their province.

[*English*]

Mr. Speaker, for the first time the government is having consultations with the Indian peoples of Canada.

Mr. Muir (Cape Breton-The Sydneys): I rise on a point of order, Mr. Speaker. I should like to correct an impression the minister is trying to leave. Hon. Ellen Fairclough was the first minister who went to consult the Indian peoples.

Mr. Speaker: Order, please. Obviously the hon. member has no point of order but he may wish to ask a supplementary question.

Mr. Muir (Cape Breton-The Sydneys): By way of a supplementary question may I ask whether the minister's ramblings and wanderings over the country have answered the serious situation brought to the attention of the house by hon. members yesterday and today.

Mr. Speaker: Order, please.

VETERANS AFFAIRS

VANCOUVER—DOMICILIARY CARE AT SHAUGHNESSY HOSPITAL

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. In view of complaints from British Columbia regarding cut-backs in domiciliary care provided to aging veterans at Shaughnessy hospital in Vancouver, may I ask how the minister is dealing with this urgent matter?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I know of no cutbacks in services. If the hon. member has some specific points to make I wish he would contact me, or be more precise.

Mr. Rose: A supplementary question, Mr. Speaker. Have the admission terms been changed in providing the number of beds for extended care in recent months?

Mr. Speaker: Order, please. Would the hon. member please resume his seat. I suggest this is the type of question which in my view should normally be placed on the order paper. If it is urgent, then the hon. member may give appropriate notice to the Chair for the purpose of discussing it at the time of adjournment.

INQUIRY FOR RETURN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to whoever is charged with meeting the orders the house makes with regard to the production of documents. My question relates to a motion for the production of papers passed on October 9 relating to the British Columbia Indian Reserves Mineral Resources Act. I wish to know where the documents are and whether they are going to be tabled.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I will look into it, Mr. Speaker.

GRAIN

REQUEST FOR ACCELERATED DEPRECIATION ON DRYING EQUIPMENT

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is for the Minister of Finance. In the light of questions asked on October 24 and 25 as well as subsequently by the hon. member for Regina East (Mr. Burton) about accelerated depreciation on grain drying equipment, and in light of the suggestion three weeks ago that the question would be answered soon, may I ask the minister to advise the house when the new regulations will be published.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe the regulations were published in the normal manner by the Department of National Revenue some week or ten days ago.

Mr. Benjamin: On a question of privilege, Mr. Speaker, members of this house have been seeking this information. None of us

have received this document from the department, and I think we are entitled to be answered here because the question was asked here.

Mr. Benson: I suggest to the hon. member and to all hon. members that copies of the depreciation regulations are available from the Department of National Revenue.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Yesterday I asked the Prime Minister if he would like to make it clear before Christmas that some time early in 1969 something would be done about the pensions of superannuated civil servants. The Prime Minister told me that it is the Minister of Finance who answers for the government on this particular matter. Would the Minister of Finance like to answer my question now?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, before answering the question I should like to read completely what the Prime Minister said yesterday.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question. Surely the minister knows the answer to this. Are the recommendations which were made to this house on May 8, 1967 still under consideration by the government?

Mr. Benson: Yes, Mr. Speaker.

[*Translation*]

WAYS AND MEANS

The house in committee of ways and means, Mr. Béchard in the chair.

ANTI-DUMPING DUTIES

That it is expedient to introduce a measure to provide for the imposition of anti-dumping duty including provisional duty and the establishment of an anti-dumping tribunal consistent with Canada's obligations under the "Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade" signed on behalf of Canada in June, 1967, and to provide further for certain related or consequential amendments to the Customs Act, the Customs Tariff and the Tariff Board Act.

The Deputy Chairman: Shall the resolution carry?

[*English*]

Some hon. Members: No.

Mr. Gray: On a point of order, Mr. Chairman, I wonder whether spokesmen for the other parties would indicate whether they would prefer to make their major speeches at the resolution stage or on second reading. If the former, I would make a detailed statement at this time. If it is to be the latter, I will reserve my remarks until second reading. In either case, I would be happy to accomodate hon. gentlemen opposite.

Mr. Harkness: So far as this party is concerned we would prefer to hear the minister's explanation and make our speeches at the resolution stage rather than on second reading.

Mr. Knowles (Winnipeg North Centre): The members of this party who will be speaking on the subject take the same position.

Mr. Gray: Mr. Chairman, for Canada one of the important elements of the Kennedy round package was the new international code to govern the application of anti-dumping duties. Canadian representatives took an active part in negotiating the code to ensure that it would enable the application of dumping duties quickly and effectively when dumping caused or threatened injury to Canadian industry and, at the same time, protect Canadian exporters against the unreasonable use of these measures by other countries. Other signatories to the code have been complying with its provisions since July 1, 1968, as agreed at the end of the Kennedy round. It was not possible for Canada to meet that date and it was agreed with our trading partners that Canada could delay its implementation until January 1 next.

As hon. members are aware, new legislation is required for Canada to give effect to the code. It will be recalled that the white paper on anti-dumping, which was tabled in the house on September 20, incorporated a draft anti-dumping act designed to comply with the provisions of the anti-dumping code. This white paper has been subjected to a detailed examination by the standing committee on finance, trade and economic affairs which held twenty two meetings for this purpose. In the course of this study, the committee heard extensive evidence from industry representatives and government officials. This evidence forms part of the printed proceedings which have been available for some days.

The report of the committee recommends the draft bill and the white paper to this house for favourable consideration together

with the changes set forth in this report. These recommendations have been incorporated into the present bill, to be based on this resolution. I should like to note the way in which members of all parties worked together on the finance committee in studying this important measure. I should certainly like to congratulate the members of the committee and its chairman, the member for Gatineau on the effort they put forward, enabling them to make a report to the house on their studies so expeditiously.

If I may, Mr. Chairman, I should like to comment briefly on the principal features of the proposed legislation. The bill relates to the imposition of anti-dumping duties including provisional duties, the establishment of an anti-dumping tribunal and certain consequential amendments to the Customs Act, the Customs Tariff and the Tariff Board Act.

Under the terms of this bill goods are considered to be dumped if the normal value exceeds the export price and the dumping duty applicable or the margin of dumping is the difference between these two amounts. Normal value is generally the price at which like goods are sold at arms length in the ordinary course of trade in the country of export at about the same time as the goods are sold to the Canadian importer, adjusted for allowances to reflect price comparability between the home market sales and the sale to the Canadian importer.

Export price is defined as an amount equal to the lesser of the exporter's sale price for the goods or the importer's purchase price for the goods on an f.o.b. basis. If the dumped goods cause injury, threat of injury or material retardation to production in Canada, dumping duties will be applied.

The Department of National Revenue is to retain responsibility for deciding whether or not goods are dumped into Canada. It will also be responsible for making preliminary determinations of dumping and the consequent levying of provisional duties. These duties would be collected after a preliminary determination by the deputy minister and would apply to all imports of such goods until there is an order or finding by the tribunal. After an order or finding the deputy minister makes a final determination and definitive duties are applied to all subsequent importations of like goods that are dumped. National Revenue's decision on the margin of dumping and the category of goods involved will be subject to appeal to the Tariff Board and, on points of law, to the Exchequer Court. These appeal provisions are analogous to the appeal provisions set out in the Customs Act.

The most significant change required in Canadian legislation relates to the provision that there must be a formal inquiry into the impact of dumping on production in Canada. This requirement is carried forward from the anti-dumping code which provides that injury, threat of injury or material retardation to production in Canada must be determined before dumping duties are assessed. An anti-dumping tribunal to be composed of not more than five members is to be established for this purpose. The tribunal must, within three months from the date of the deputy minister's preliminary determination, make a decision on the question of injury, threat of injury or material retardation to production in Canada. If the tribunal makes an order or finding of injury, the deputy minister of national revenue must make a final determination as to the margin of dumping.

• (3:40 p.m.)

A number of enforcement provisions have been built into the proposed act to enable the Department of National Revenue and the tribunal to obtain the necessary data and arrive at decisions within the framework of the time limits provided for in the bill. Accordingly it will not be possible for importers to escape anti-dumping duties by either supplying incorrect information or withholding information. On the other hand, importers and exporters who conduct their affairs in a legitimate manner have nothing to fear from the most vigorous application of these provisions.

In so far as the consequential amendments are concerned, the only substantive revision relates to the proposed deletion of subsection 7 of section 40A of the Customs Act. This section provides for the establishment of arbitrary or fixed valuations in respect of goods which are sold to importers in Canada at prices similar to those prevailing in the country of export and therefore are not dumped but are judged to be causing injury to Canadian producers. We are proposing that this section be replaced by a new provision which will achieve the same result as the present law through the use of a surtax rather than anti-dumping duties. Emergency action of this kind is contemplated under Article XIX of the GATT.

In closing, Mr. Chairman, I would like to state, and I am stating, that in the government's view the proposed legislation reflects

the needs of the Canadian economy in this post-Kennedy round period by providing a comprehensive framework within which action can be taken swiftly to counteract dumping that is injurious to Canadian producers. I can assure hon. members that the government will see to it that the full weight of this legislation will be brought to bear to guard against unfair competitive practices of suppliers in other countries. Mr. Chairman, I urge the prompt adoption by the committee of ways and means of this resolution and the legislation for which it provides a basis.

Mr. Harkness: Mr. Chairman, in view of the season of the year and the circumstances which exist at the present time in this house there is no intention on the part of this party of prolonging debate on this legislation. Perhaps even more important than that is the fact which was mentioned by the parliamentary secretary that the committee on finance, trade and economic affairs had a long series of meetings on this legislation at which we heard explanations from officials of the Department of Finance and of the Department of National Revenue, and briefs from groups representing most of the major industries in Canada, particularly all those which are likely to be especially affected by this legislation.

Dumping, Mr. Chairman, has been a problem throughout the history of our country. It can, does and will continue to cause serious injury to Canadian industry when it occurs. Dumping, or the sale of goods in Canada at a lower price than those goods are sold at in the country of export and which thereby causes injury to Canadian industry, in that simple form is very easy to define. However, the discovery of when dumping is actually taking place and the taking of effective measures to prevent it are very different matters.

The matter of determining when dumping is taking place was brought to our attention by a lot of the evidence supplied by Canadian industries that we heard in the standing committee. We also had a lot of evidence about past failure to take action after dumping had been brought to the attention of the Department of National Revenue. One of the great difficulties is that if dumping takes place it can cause serious injury to Canadian industry before it is detected. Even though the amount of dumping may not be massive, even though it may be relatively small, the entry of goods at dump prices can lower the entire market, thus putting Canadian industries into a loss position and in some cases forcing them to close down with a consequent loss of jobs, a loss of taxes to the dominion government, and so on. Therefore dumping is an extremely serious matter.

We also were given evidence in the committee that devices of many kinds are employed to conceal the fact that dumping is taking place or has taken place. In fact I think a statement was made by one of the witnesses to the effect that a manufacturer in a foreign country and an importer in Canada who knew all the ropes were in a position to evade completely our dumping laws. I would hope that the administration of this new dumping legislation which we are in process of passing will put an end to statements of that kind, which were not challenged by the officials of the departments represented at the hearings. In other words, I hope that this sort of thing will not continue.

The emphasis in most of the briefs presented by industries that were represented at the committee hearings was to the effect that improved administrative practices and greater speed are necessary to ensure that dumping does not take place, and that these are essential if this new legislation is to be effective. I would like to put on the record two statements made by industries, which are typical of the type of statements we heard in the committee. The first is to be found at page 966 of the evidence and reads as follows:

> In conclusion—

That is, in concluding their brief.

> —we consider the draft Canadian anti-dumping act provides the broad discretionary powers necessary to permit the authorities to apply this instrument effectively. However, its effectiveness will depend largely upon the spirit and manner in which it is administered and the calibre of the people involved.
>
> Therefore, we consider it is of the utmost importance that the officials responsible for its administration should not only be fully qualified to properly discharge their duties, but should also be fully aware of the need to function expeditiously, aggressively and with Canada's best interest in mind.

This sort of statement was repeated in brief after brief. I think there is no question that the effectiveness of this new legislation will depend almost entirely on how well it is administered. I have hope that the administration will be improved, and later I will touch on one or two points in that connection.

I think the statement I have just quoted indicates pretty fairly the general consensus of the views of industry in regard to the legislation when it says that the draft anti-dumping act provides the broad discretionary

powers necessary to enable effective anti-dumping measures to be taken. Therefore once more it comes down to the matter of administration.

I wish to quote briefly from one other brief, again under the heading of administration. It reads:

> Before this new code goes into effect, the customs division should become so organized that it can proceed thoroughly and quickly, and should have the will to do so.
>
> If the new code is to be applied "quickly and effectively", there is need for:
>
> 1. More information on entries.
> 2. More prompt reporting of entries by local ports of entry.
> 3. More information relating to imports, which should be made available to the central administrative authorities more quickly.
> 4. Improved mechanism for the determination of values abroad.
> 5. Improved government facilities to establish facts promptly, which have been notably inadequate in the past, even when there were acceptable home market sales in an exporting country for like products.
>
> The administrative machinery of the Department of National Revenue should be overhauled to ensure the prompt availability of all data, whether it is to be obtained from abroad or from records in Canada.

I think we cannot overemphasize the importance of improved administration and great speed in detecting dumping and in taking the proper measures to put an end to it.

• (3:50 p.m.)

Some of the evidence we were given was to the effect that more Department of National Revenue officers are required overseas to investigate the prices at which goods are being sold in various countries so that individual complaints made by Canadian producers that dumping is taking place may be investigated. The officials of the two departments who were present stated that plans were under way for an increase in the number of officials abroad. I hope the government will take action along this line in spite of the austerity program which they have been talking about to such an extent and in spite of the freeze on the size of the civil service.

One thing which I believe is absolutely essential is that Canadian industry be protected against dumping. This is essential in order to ensure that employment continues at a reasonable level and also that there is a tax base upon which the government can obtain sufficient funds to carry on all the varied activities in which the government is now engaged. Therefore this is a case in respect of which I would hope the present freeze on increasing the number of civil servants will not apply so that a sufficient number of officers of the Department of National Revenue may be sent to overseas posts in order that proper information can be collected with which to properly administer the act.

The parliamentary secretary noted the fact that the committee recognized a considerable number of changes should be made to the draft bill contained in the white paper which was put before the committee. I believe the effect of these recommended changes will be to very greatly improve the bill. I was, therefore, happy to hear the parliamentary secretary state that these changes are being incorporated. I take it that they are incorporated or will be incorporated in full in the bill that will be produced as soon as the resolution stage is completed. I can assure him and members of the house that that in itself will of course greatly expedite the passage of the bill through the house.

I shall not refer in detail to the recommended changes, but I should like to note one of the most important. I refer to the elimination of section 30 in the draft bill which provided for a panel of deputy ministers whose view had to be secured before the tribunal set up to determine if dumping had taken place could take any action at all. I think it was quite apparent to quite a number of members of the committee and the representatives of practically every industry which mentioned the matter that this panel of deputy ministers was an unnecessary step in the procedure and one which was bound to cause delay. Therefore I am delighted that it has been eliminated. It seems to be a very peculiar sort of organization to deal with this whole matter in any event.

There is one other matter about which I should like to speak and which was referred to by the parliamentary secretary. It concerns the elimination of section 7 of the Customs Act and the substitution of section 37 as it was in the draft bill. I do not know what the number will be in the bill to be introduced until we actually receive it. The main point is that a great deal of damage can be done to Canadian industry by importations which are not dumping under the definition of that term but are importations at a fairly or very low price. This type of importation takes place at the end of a season, at the end of a run or because of something else along that line. It happens when the product is being sold in the country of manufacture or production at a

price lower than the price which has prevailed previously or which normally prevails. Or it may be that because of certain particular circumstances the product is being produced at an abnormally low price. Importations of this kind have caused more damage and have been more difficult to deal with than ordinary dumping.

One of the best examples of this type of importation is in the fruit and vegetable industry. Our position north of the United States has made us particularly vulnerable in this regard. There is the situation in respect of strawberries. The strawberry season in the United States begins some four or five weeks before the season begins in Canada. By the time the strawberry harvest has begun in Canada it is about at an end in the United States. The cream has been taken off the market, so to speak, and the price has dropped to very low levels in the United States. When the strawberries are imported into Canada at that price, although it is the price at which they are sold in the United States it means that the Canadian industry cannot operate properly. Other fruits and vegetables are affected to a greater or less extent in the same way. Thus, in order to enable Canada to maintain a healthy fruit and vegetable industry some form of protection is needed against importations of this kind.

The same thing applies so far as some manufactured goods are concerned. This situation has been covered in the present Customs Act by the special value for duty provision under which, when an importation of that kind is made, the Minister of National Revenue can apply a special value for duty on the goods coming in sufficient to bring the price up to a reasonable level and thus protect the Canadian industry. Those sections of the Customs Act are being repealed by this legislation and are being replaced by a surtax in cases of this kind. The explanation given is found in the white paper at page 101 and reads as follows:

> The proposed new subsections to be added to section 7 would authorize the Governor in Council to impose a surtax on imported goods that cause or threaten serious injury to Canadian producers of goods that are like or directly competitive with the imported goods. These new subsections would replace section 40A (7) of the Customs Act and in their application would have substantially the same effect as that subsection.

My hope is that the provision will have substantially the same effect as that subsection. We were assured by some of the officials that this would be the case. I would like to have a further definite assurance from the parliamentary secretary that this is indeed the case because I think it should be emphasized and publicized that this same protection will continue to exist. I would express the further hope that the application of a surtax in these circumstances will be put into effect much more quickly than has been the case in the past so far as the imposition of the special value for duty provision is concerned.

I might mention my personal experience while minister of agriculture. On quite a number of occasions I tried to have a value for duty imposed on fruits and vegetables coming into Canada. I found that it was always a slow process to obtain agreement in respect of putting the value for duty provision into effect with the result that serious injury was caused the fruit and vegetable industry while the delay was taking place. In many instances this action was not taken at all. The reason that was always given was that it might cause some form of retribution or might be interpreted as being against the provisions of GATT or something else along that line. We were assured in the committee that this situation could be improved without coming into conflict with our commitments under GATT. Therefore I repeat that I hope that once this legislation is in effect there will not be the hesitation there has been in the past in making use of this surtax on seasonal imports, imports of fruit and other imports that come into Canada at low prices and which, by and large and as a combined group, have done more damage to Canadian industry than actual dumping has done.

• (4:00 p.m.)

Mr. Saltsman: Mr. Chairman, my remarks this afternoon will be brief, principally because we generally agree with the position Canada and the government are taking in this regard. I must say that the way the committee operated was enough to convince anyone that all the political parties in this house can work together effectively for the improvement of legislation. I should like to pay my compliments to the hon. member for Gatineau as the chairman of the committee. He did an outstanding job. Let me compliment also the hon. member for Windsor West. Although it was sometimes difficult to know whether he was acting as a member of parliament on the committee or advising the civil service, in either capacity he did an outstanding piece of work for the committee.

I felt rather proud of our behaviour as a country in respect of the international agreement on anti-dumping. Our negotiators were

tough enough to protect our interests, yet at the same time they were sufficiently forward-looking to realize the benefits that flow from honouring international commitments. The behaviour of our people and our government stands in sharp contrast to that of the United States which seemed to take a rather ambiguous position about honouring international agreements. It seems to me the United States is prepared to honour these agreements as long as they do not conflict with their laws. This hardly seems to me to be a good way to embark on an agreement upon which many countries of the world have decided. When an international agreement is arrived at it means that each of the countries involved gives up a little of its sovereignty in return for a step toward a more harmonious and logical international structure. In this regard I think Canada has behaved well. I think our negotiators did extremely well in honouring these international agreements.

There is one aspect of the anti-dumping legislation which has perhaps been wisely left very flexible. It relates to the question of injury. The debate in committee revolved around the question of what is injury and how one goes about defining it. This has been left for the determination of a board or tribunal. There is a danger that injury could be defined in a too rigid way or in such a way it could actually do more damage than good. The nature of injury will always be difficult to determine. I suspect that in the long run the question of injury will in some way have to be a political decision. Since all types of injury are incapable of one definition I do not see how those who apply the differences can do so oblivious of the economics of this country. The implication, therefore, of what I think is one of the central parts of this legislation is the fact that the government will be left on the hook. It will not be able to say, if there is dissatisfaction with the application of the legislation, that it was a civil servant or the tribunal that made the decision.

The very application of the definition means there will have to be in some related way a political implication. That is the way it should be and I am not quarrelling with this concept. I hope there will be some attention paid to the condition of the economy when a decision is handed down. Quite frankly, what may constitute injury under conditions of full employment will be different from what we may consider constitutes injury when the unemployment rate is 5 per cent or 6 per cent as it now is. This will have to be taken into consideration.

Since the feeling of most hon. members is that Canada should move toward a world of freer trade and a less restrictive approach, an easier definition will be more acceptable when our industries are operating at capacity, when our farmers have markets and when our people have full employment, than when there is unemployment and a reduction in production. We have not heard the last of the definition of injury, and we will not with the passage of this legislation. I think this question will continue to return and we will have to consider it from time to time. We should be aware of the government's policy at any given time in relation to the concept of injury.

One of the difficulties of this legislation involves the question of proof. Of course, this created a difficulty in the previous legislation. If anything this measure is better than the previous anti-dumping law; at least, some of the industries which appeared before the committee seemed to feel we were moving in the right direction. In this regard we have to be very much aware of loopholes in terms of selling prices or costing in exporting countries. During the committee hearings I made some suggestions to departmental officials that they consider the use of a form which would put the onus of proof on the exporters rather than having our people running around trying to figure out to what extent the prices are legitimate or camouflaged. I recognize that our existing forms to some extent fulfil this purpose, but I think we could go farther than we have. I hope that the departmental officials will put their considerable talents to the task of finding a way of putting more of the onus of proof on the exporters rather than on the limited number of investigators we have at our disposal in the department.

• (4:10 p.m.)

I began my remarks by saying I was very proud of the role our people played in the negotiations respecting anti-dumping legislation. I also pointed out that perhaps others were not honouring the spirit of the negotiations as well as they might. I think it might be worth while for us to state that we are prepared to continue to be co-operative and to be internationally-minded in regard to legislation of this type but we will not tolerate being taken advantage of if other countries disregard their responsibilities. I believe

we should make it very clear that our commitments will continue to be honoured and our good faith will be displayed, but if this is not reciprocated or if attempts are made by other parties to counteract the good intentions of this legislation, we will examine our position. We should not be afraid to say this openly and boldly. We should use this as leverage to ensure that others will observe the spirit of the negotiations to the same extent that we have.

I should like to pay tribute to the members of the committee. I can say this without indirectly flattering myself because I joined the committee only in its last few weeks; I was not a member of the committee from its inception. I have never seen a more outstanding job done by members of a committee. I would in particular like to compliment the hon. member for Edmonton West and the hon. member for Calgary Centre for the work they did in the committee. I heard one manufacturer remark as he left one of the hearings: "I had no idea that members of parliament were so knowledgeable or did their homework so well". I enjoyed the work I did in the committee. I hope I was able to make some contribution. I sincerely hope that the work of the committee and the co-operation displayed there will serve as a model to other committees of the house.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I would like to make a few remarks on the resolution respecting anti-dumping.

Detrimental anti-dumping duties are called for by many industrialists in our country. Anti-dumping regulations which formerly existed are no longer considered satisfactory by Canadian industrialists. In fact, we have witnessed a great deal of discrimination in the field of anti-dumping. The anti-dumping legislation is very complex, Mr. Chairman, because it is difficult to apply, enforce and control, in view of the volume of international trade of which each country wants its share. Every country has a production surplus that it cannot absorb and it tries to export more in order to get American dollars and balance its international payments. Since the American dollar has become the instrument of international trade and since it controls practically all international relationships, many countries are forced to import because they are hungry for American dollars.

As far as we are concerned, we would like very much to increase our imports because our warehouses are bursting with goods. Our industrialists would be pleased to import, but that is not always easy, because that depends on the goods we can offer. In Canada, western wheat is our most common product and the one we export on a large scale. We have a substantial surplus that we would very much like to export. But it is not always easy to export our products without accepting other products in return.

For instance, two years running Russia purchased wheat in Canada and paid for it in American dollars and gold. That enabled us to reduce our balance of payments deficit. Then, after two years, Russia asked us if we would agree to accept other goods in exchange for our wheat and I think that Canada replied that it was impossible. In view of Canada's economic situation and surpluses of products which we already had in Canada in various fields we did not agree to that deal with the Russians, and it was the same for several other countries.

• (4:20 p.m.)

At the present time, Mr. Chairman, we know that Japan is one of the great exporting countries, that its prices are competitive and that it exports a great deal of radio and television sets. In fact, we receive in Canada a large quantity of those Japanese products which not only cost much less but which are actually quite often superior to ours as far as quality is concerned.

I shall simply give the example of Japanese television sets imported into Canada which are much cheaper than our Canadian television sets although they are of a better quality according to several technicians who do not only tell us but prove that the quality of these sets is better than that of Canadian sets. Therefore, the demand for those various sets is quite strong, because the quality is good and the price is competitive. As a matter of fact, sometimes there is a difference of about $150 between a Japanese and a Canadian T.V. set and this, after having paid the duty, transportation costs, etc. In view of those facts, Canadians demand similar prices, because it seems that this is more in line with Canadian pocket-books.

In the brief it presented to the standing committee on finance, trade and economic affairs, the Canadian Shoe Manufacturers Association mentioned the white paper on anti-dumping, and I quote:

Opinions vary widely on the merits of the new international code on the application of the anti-dumping duties and on the necessity of revising present anti-dumping Canadian legislation that it

might conform with the principles of the international code. However, Canada being one of the signatories of the "Anti-dumping code", it is obliged to respect it. We will therefore not discuss the merits of the international code.

Before discussing specific clauses of the bill, we should like to point out that the present anti-dumping act is less discretionary. The bill, because of the introduction of the concept of "injury" requires a high degree of administrative vigilance and a far greater use of judgment on the part of officials and members of the tribunal. The bill confers an administrative factor of capital importance.

As we have already mentioned, the former minister of finance, Hon. Mitchell Sharp, pointed out that when dumping caused or can cause injury to Canadian producers, the government intends to see to it that, in Canada, anti-dumping duties are applied properly and efficiently.

Under present legislation, there are no definite restrictions on the retroactivity of the application of anti-dumping duties. The bill proposes, under clause 5, a limited degree of retroactivity, namely 90 days, from the moment when the deputy minister makes a preliminary determination of dumping in respect of goods the shipments of which constitute massive imports or are part of a series of imports to Canada which, taken as a whole, are massive and take place over a relatively short period of time.

The new legislation will not permit only a first dumping shipment but also a series of dumping shipments which would be even more damageable. In addition, clause 5 requires that more judgment and more discretionary powers be exercised.

Mr. Chairman, the members should read carefully the following excerpt found on page 8 of the brief, and I quote:

What constitutes a massive importation?

What constitutes a relatively short period of time?

We recommend that the new anti-dumping legislation provide for the levying of anti-dumping duties in every case and in those cases where goods imported were dumped, thereby causing or being liable to cause injury to production in Canada.

With regard to the investigation procedure, the brief continues:

Clause 13 is the first to deal with investigation procedures. It states that the deputy minister shall "forthwith" cause an investigation to be initiated, on his own initiative, if he is of the opinion that there is evidence that the goods have been or are being dumped and if he is of the opinion that there is evidence or the tribunal advises that it is of the opinion that there is evidence the dumping has caused, is causing or is likely to cause material injury to the production in Canada.

It is proper to note that the requirement to act "forthwith" does not apply until the deputy minister has formed an opinion. The text does not specify that the deputy minister shall form a quick opinion.

Furthermore, there is no requirement under clause 13(4) that the deputy minister shall act promptly upon receipt of a notice from the tribunal.

[Mr. Latulippe.]

It is very important for the members of the tribunal to have some experience of industry and the procedures followed before that tribunal should be quite simple, that is exempt from too many formalities.

Mr. Chairman, in this white paper there are a great many very complex formalities. I would not want to delay the passage of this resolution, but I think that, in Canada, as abroad, if the necessary purchasing power were available to buy the goods which are needed, importation would not be as necessary.

In the present world economic situation each country tries to rob the other of its markets through massive shipments of goods, which in several countries will finally bring about disorder. I would even say that importations could lead to war. All countries should imitate Canada which, in 1968, for example, produced $68 billion and exported and consumed $40 billion, leaving $28 billion worth of goods. It will be said that these products are capitalized, and it is true, because they are stored, they stay in warehouses, in the stores in view of the fact that the Canadian people do not have enough purchasing power to buy them. Each country must therefore find ways to enable the taxpayers to have the necessary purchasing power for domestically produced goods.

Consideration should have been given to another factor. Some countries have abundant primary products which they can manufacture or finish. I think some kind of planning should be established whereby one country could manufacture products which are appropriate to its basic resources, whereas production in another country should be based on its own wealth of primary products so that raw materials would be processed domestically. I would have appreciated studying this problem in the course of a committee meeting, but due to my being away for some time, I did not have this opportunity.

As I was saying before, as concerns anti-dumping, I think some means should be found other than producing and importing without taking into account markets in Canada and those that may exist in other countries. Distribution and consumption can be achieved without any large increase of production in our country, considering our natural resources, our technological progress and all the advantages in a country such as Canada. If more consumers are required, we are certainly in a position to accept more immigrants. Population can be increased. A greater number of immigrants can be welcomed,

since we need more consumers to dispose of those surpluses of commodities which are also found in each country.

There are some countries, and Canada could be one of them, which pay compensated discounts on their products in order to reduce prices and facilitate exports into other countries. I think that Canadians, at the present time, are purchasing goods which have been subsidized by foreign countries. Now, if this attitude is allowed in various countries, it should also be allowed here in Canada. We are capable, if we have surpluses, of granting a compensated discount in order to facilitate exportation of such surpluses and consumption by our own people. If the products cost too much, if our Canadians do not have the necessary purchasing power, we can surely enable them, through a compensated discount on prices, to consume more to their greater satisfaction.

• (4:30 p.m.)

[*English*]

Mr. Danson: I think it is somewhat of a coincidence, Mr. Chairman, that this issue comes before us in the midst of the debate on the report of the committee on procedure because sitting in the committee which considered this matter was one of the most rewarding activities in which I have participated during the short time I have been here. There was a spirit of co-operation which indicated that the committee system works. If committees are provided with the facilities for which we hope, then in the future the committee system will work extremely effectively.

As has been mentioned, there were some 22 meetings of the committee and the chairman deserves credit, as does the parliamentary secretary who guided much of the deliberations of the committee during those 22 meetings. Members from the other side of the house and from this side moved along from point to point in a spirit of co-operation. It was not a debating society; no one was trying to make points. We realized we had a job to do and we got along with it.

I think this spirit is more evident in the intimate atmosphere of a committee than in the somewhat combative atmosphere we find as we face each other across the bastions of this house. I might say that we got to know one another, perhaps not to the extent we would have liked. I am afraid we did tend to sit on opposite sides of the table, but perhaps as we get to know one another better even that tendency will disappear. It was very important, since we are in the midst of a rules debate, to see and experience a committee working well. Men from all parts of the country were gaining a perspective that is only possible when they meet men from other parts of the country. This was indeed an enlightening experience for everyone who participated in the deliberations of the committee.

The committee went beyond a mere examination of the anti-dumping provisions and the white paper. As a result members gained a very excellent insight into Canadian industry as a whole. Though we perhaps strayed too frequently from the direct purposes of the committee, I believe, we all benefited from the education we received. As one industry after another presented us with completely different problems, we learned something about those industries which will help the members of the committee on finance, trade and economic affairs to function a great deal more effectively and intelligently in the future.

Perhaps one of the most interesting experiences, one of the most exciting things for all Canadians, occurred on the day we listened to the brief from the steel industry of Canada. This industry does have its dumping problems and those problems have to be looked into. However, it is an interesting industry. The rates of pay are as high as those in virtually any industry in Canada and, what is equally important, they match or exceed those paid in the same industry in the United States. The industry is highly profitable in that it generates a great deal of new investment in new plant, new technology, and so on. They have reached a technological level that is second to none in the world, and as well the industry pays its shareholders good dividends. As far as I can recall, this was the only industry that was wholly Canadian owned. It is free to move without checking with anybody else anywhere.

Sometimes there was a tendency on the part of the members of the committee and those appearing before the committee to fail to differentiate between tariffs and what is legitimate dumping. As they become more familiar with this new anti-dumping legislation I think that the people in industry, the producers, will be able to make this differentiation.

The question of injury was critical in the examination of this legislation. Injury can be very difficult to prove, and many hours and

many meetings were spent on this issue. The interesting part was that everybody seemed to accept the fact that broad discretionary powers were needed. The legislation provides for the establishment of a panel which will have this discretionary freedom. Thus we can implement this measure in the proper spirit of the Kennedy round negotiations. We heard words and saw words in brief after brief to the effect that this must be done forthwith, expeditiously, immediately and precisely. There was a great deal of concern about this.

I can understand the apprehension that prevailed because a year or so ago I sat on the opposite side of the table during the negotiation of the Kennedy round machinery tariff. This industry, with which I was associated, had these same apprehensions. However, there is something new and exciting as a result of the Kennedy round negotiations. There is a spirit abroad which I feel has permeated the departments concerned, particularly the Department of National Revenue, and as a result there is a desire to make this plan work. The new machinery tariff has been in effect for almost a year and there has not been a single complaint during that time. This is very encouraging. I believe that the anti-dumping provisions will be implemented in the same spirit, in a highly intelligent and imaginative way.

We forget that these negotiations are a two-way street; the arrangements are reciprocal. Additional opportunities are provided to us for the protection of Canadian exporters. The spirit of the Kennedy round which is abroad will enable us to function effectively in the international trade arena. There are dangers if we sit back and try to hide behind our tariffs or what is left of our tariffs. We will be given a challenge, an opportunity to get into other markets abroad and show the entrepreneurship which is so essential to this country and from which our industry will benefit greatly.

I have not spoken for 20 minutes. I have only spoken for about 7 minutes, I think, but I have nothing more to say so I see no reason to speak for 20 minutes. I think we should bear this in mind during the rules debate as well.

• (4:40 p.m.)

Mr. Danforth: Mr. Chairman, at the outset may I pay my respects to hon. members of the committee who dealt with this most important, intricate and technical subject. I also wish to pay my respects to the parliamentary secretary who represents Windsor West, a companion riding to mine. I am sure he is as familiar with the problems of his area as I am with the problems of mine. In the 20 minutes allocated to me I hope to place before the committee some questions that I presume we both agree ought to be asked. Perhaps he will be able to provide some of the answers which we are eager to hear. At the same time I pay tribute to the hon. member for Calgary Centre for his remarks. As an ex-minister of the crown responsible for agriculture, a field where problems have been most acute, certainly he has the right to be considered well versed in this subject. The remarks he made to the committee proved that he was familiar with all aspects of the problem. He has made some constructive suggestions in the committee and in the house in this field.

In the areas the hon. member for Windsor West and I have the honour to represent this legislation is considered to be most important. Because of past experiences our people are uneasy about what will happen. The last time there was a major overhaul in tariff regulations pertaining to international trade small industries, subcontractors and the agricultural industry in general suffered serious economic set-backs. Many of those set-backs have not been made good over the passing years.

It has been found through the years that any reduction in protection or any approach towards free trade has worked adversely in particular circumstances. I am speaking particularly about the growers of luxury crops, the fruit and vegetable growers, the canneries and allied, small industries of the area. Throughout the years they have found that existing anti-dumping legislation did not provide the protection it was felt was required and in many instances there was real hardship.

Why are our people uneasy about this legislation? They have just undergone an experience with regard to the corn industry, which is very important in my area. It seemed impossible under existing regulations to prevent corn from another country being dumped in this country. When corn was brought in the Minister of Agriculture stood up in the house and said that according to existing definitions there was no dumping, that what had happened could not be classified as dumping and therefore no action could be taken. Finally, after many weeks and after much damage had been done as a result of corn importation the government acted, and I am happy to report that in some small way the market has

been stabilized. The fact still remains that the government delayed in acting.

Something else which caused our people worry was the matter of tariff reductions. Tariffs were to be reduced, which was of advantage to importers in this country. It is interesting to note that in Canada Farm Economics, volume 2, No. 3, which is issued by the department to aid members of parliament and other interested parties, certain tariff concessions are listed. With regard to concessions by the United States, the nation we are primarily concerned with, three pages in this volume are taken up with items agreed to at the Geneva trade conference. On the other hand, the concessions made by Canada with regard to agricultural imports into this country take up five complete pages. That is cause for worry.

Our people are also worried about statements that the former minister of trade and commerce made at Geneva when the negotiations were in progress. He intimated that some industries would suffer hardships. In particular, he suggested that the greenhouse industry might have to be phased out in the near future and that the men employed in it might have to earn their living in some other industry. Still another minister said that no doubt there would be some hardships and some industries would be hard pressed. He also said that the government might aid these industries in some way in order to help them to meet the adjustment. Naturally we are uneasy.

I am not at all sure that this measure will protect us adequately, despite assurances by some hon. members that it will. I have seen what can happen when measures like this do not work. I have seen private businesses destroyed completely. I have seen bankruptcies. I have seen small plants close down and men 50 to 65 years of age thrown out of work and unable to obtain other employment. I have actually seen suicides among agricultural businessmen because industries which took a couple of generations to build up were destroyed when underpriced produce was allowed into the country at the stroke of a pen—a stroke made by some government official. We do not want to see that happen. That is why I want the parliamentary secretary to assure us that this measure will accomplish what it is said it will accomplish.

I am very concerned when I see that the fair market value for duty yardstick, on which industry has learned to rely, is to be supplanted by a surtax. The surtax may be applied in such a way as to provide adequate protection, but I have doubts about it. I seriously doubt that this measure can be applied quickly enough to do the job. As the hon. member for Windsor West knows, great damage can be done in the agricultural industry when markets disappear or prices fall. Prices change not in months, not in weeks, several days or one-day periods but in hours and even in minutes sometimes. Once a market is lost, especially in high priced luxury commodities, it is lost for good. It is almost never recovered and primary producers almost never recover their initial cost. As a result I want to see the mechanics of this measure set up in such a way that action can be taken quickly enough to avert any situation such as the one I have described or correct one that is going wrong.

• (4:50 p.m.)

When I read in the white paper that a determination of injury shall be made and that a study will have to be undertaken to determine whether or not imports have caused damage to industry, and so on, I begin to fear that this measure may not have the practical results which are intended. I see, for instance, that the imposition of anti-dumping measures is to be studied and decided with special care. I am not opposed to this. I am not opposed to the establishment of a tribunal to assess these situations and take action. Let them study anything they want to study. I am concerned about the result, which is to protect our small industries against being wiped out of existence. I am concerned about maintaining a suitable economy for our agricultural products.

Under this tariff agreement I know that in many instances the duty on the importation of fresh fruit and vegetables into this country has been very little changed. But there has been a tremendous change in the amount of duty payable on goods coming into this country in manufactured or semi-manufactured form. And this seems to be the trend, rather than the movement of goods in bulk or in an untreated state.

I am very doubtful that this legislation in its present form will bring about the results which are needed especially by sectors of the agricultural industry and by small contractors or producers. I am aware that many briefs were presented to the standing committee which dealt so expeditiously with this subject. But those briefs were compiled for the most part by corporation lawyers and chartered

accountants at the instigation of well-established corporations, some of them, perhaps, with international connections. I wonder how many of those briefs were from small manufacturers, the men who depend on the tariff concession to keep them in competition. I do hope it is not the policy of the government to let these men go out of business on the ground that free trade is best for all Canadians. I hope the government is concerned about certain specialized sections of the agricultural industry. In my own mind I am satisfied that reductions in tariffs on commodities entering this country will not mean a reduction in prices paid by the consumer except in perhaps a very few instances. If there is a reduction of one per cent in tariff I am sure it will be taken up by those engaged in the trade and that it will not be passed on to the consumer unless violent competition makes it necessary to do so.

I sincerely hope that the aims and objects of this legislation can and will be carried out. On the other hand, I feel it will be impossible in many cases for the terms of this measure to be applied fast enough or completely enough before damage is done, before a catastrophe has been brought about, especially in certain specialized sectors of industry and in certain particular regions of this country. We in Canada are faced by two handicaps. One of them is regional. We have specialized crops. Then, unfortunately, by the very nature of our climate, our early crops are forced to compete in many instances with the residues of crops gathered in the country to the south. Yet there is no comparison when it comes to the price needed to ensure a fair return, having regard to the different methods of production used. I sincerely hope this measure will finally be passed in a form corresponding with the realities of this situation. But I must say I have grave reservations.

Mr. Howard (Okanagan Boundary): Mr. Chairman, I do not wish to speak for long on this measure today because we had ample opportunity in the committee to discuss all its aspects and to ask our questions and get whatever answers we could. In most cases the answers were very full and quite satisfactory. I think we owe a tribute to the chairman and to the parliamentary secretary for the way in which they contributed to our discussion in the committee, and to all hon. members who participated.

There remains, however, one matter in connection with which I still believe we have not been able to register our opinions with sufficient force. We need to emphasize this point again and again. It concerns the very drafting of the bill. When we discussed this matter with the departmental officials I feel we did not really succeed in impressing on them the importance of what we had in mind, and I think it is necessary to re-emphasize the point I am about to express. In our report we said:

> Your committee wishes to underline the necessity of prompt and effective action to ensure the carrying out of the intent of the proposed legislation with regard to injurious dumping.

And further:

> Your committee also heard much evidence with respect to certain types of low-cost imports causing serious injury and reiterates that prompt and effective action must also be taken under the pertinent section of the proposed legislation.

This has been emphasized many times. In our discussions with departmental officials we tried to get this point across and they told us: Well, we have to get someone from trade and commerce, someone from agriculture, someone from finance, someone from national revenue and someone from external affairs to discuss an application of this kind before a decision can be made.

I am thinking particularly of the difficulty which may well arise in connection with agricultural products which are the concern of the riding I represent. I may say that I have seen in my own constituency what can happen when an urgent situation arises in connection with industry. Months went by before a decision could be made by representatives of the five departments which had been brought together to consider the matter. They negotiated and discussed with the greatest of good will and the best of intention to reach a decision as soon as they could. But by the time a decision had been reached the purpose for which they had met was no longer important. I am confident we need a faster method of getting decisions made. There is one other area to which I should like to draw attention today. I am thinking of the consequences that follow arbitrary strokes of the pen, decisions of one kind or another which affect the agricultural industry. We seem to feel in this country that we can throw sections of the agricultural community to the wolves. Consider the matter of tariff protection or protection against dumping. We specifically exempt imports from certain countries from these measures For example, we have concluded treaties with Australia which make it possible for that country to export to Canada with complete freedom

from anti-dumping legislation. We have told Canadian peach growers: "It is too bad, but we have decided that Australia can completely ignore the regulations with regard to dumping". We have said to them: "It is too bad. Go back four squares and miss three rolls of the dice. Try some place else." In many instances when this has happened to manufacturing industries we have said to them: "We are going to give special compensation to industries that find it difficult to adjust to these new conditions." But we do not say that to the agricultural industry. To it we say, "You fellows have to take your lumps." I do not think we can continue to do this. This is something we have to look at when arbitrary strokes of the pen are made in the matter of tariffs and anti-dumping regulations.

• (5:00 p.m.)

These are points that I feel I must make, points that have not been fully dealt with so far in our discussions and negotiations. I think it is important to have them on the record for the consideration of the minister and in turn for his departmental officials who will be handling these matters at the administrative level.

Mr. Hales: First, Mr. Chairman, I would like to compliment the government on the way it has handled this proposed legislation. Ten, 15 or 20 years ago the party in power, regardless of which one it was, would have introduced such legislation and said to the manufacturers of Canada, "Here it is; take it or leave it." But that is not so this time. The manufacturers or their associations had ample opportunity to appear before the standing committee and present their briefs, ideas and suggestions, and the members of the committee were willing to hear them. Furthermore, the committee made amendments which I understand have been almost 100 per cent accepted. So I compliment the government on its approach to this legislation. But in case members of the government might become too elated over what I have just said, I would like to remind them that the late C. D. Howe did not bend over backwards and think too favourably of Canada as an exporting country. He seemed to feel that we would not stand much of a chance as an exporting country.

However, in December, 1960, the then minister of trade and commerce, the hon. George Hees, introduced the brilliant idea of assembling our trade commissioners from all over the world in Ottawa and inviting Canadian manufacturers to meet with them, thus putting across the idea that if Canadian manufacturers were given an equal chance they had a wonderful opportunity to export their goods. He aroused their imagination and since that time Canadian manufacturers have realized they have an opportunity to become large exporters. Give Canadian manufacturers a fair break, give them an opportunity to play in the same ball diamond with the same set of rules and I am convinced they can compete any place throughout the world. So I am glad to see this anti-dumping legislation brought forward to give them some protection.

This anti-dumping legislation gives to the Department of National Revenue, which will administer it, more discretionary powers than have ever been given to any department of government. We, as parliamentarians, have grave reservations about discretionary powers. It is a subject which has been debated at great length in this chamber. The standing committee felt that in order to administer this legislation discretionary powers had to be given to that department, but now that we are giving the department those powers we expect it to act quickly and to be vigorous and prompt in administering the legislation. If the officials do not do that, then the legislation is of no use. It is useless unless those administering it take hold of it, give it a new approach and bring in new people who have the ability to administer the legislation as it should be administered. I am not suggesting that they go out and build a great empire to do this. I think they already have the men in the department. It will be a matter of reorganizing the department for the application of this anti-dumping legislation.

Above all, the administrative staff will require expert chartered accountants, men who can go into the English market, the Italian market, into manufacturing plants abroad, look at their books, study their costing methods, and be able to say whether those manufacturers have arrived at the right, proper and normal value. If we send a man who does not understand his work, who is not a specialist in accounting, he will be lost and will not be able to establish the normal value for export purposes.

Great power is also given to the deputy minister, and he will have to work quickly. The legislation says he must "forthwith" do this and do that. Forthwith does not mean a week from today. It is now, and the standing

committee was given to understand that that is just what is meant.

Sometimes it is difficult to get information from boards and commissions such as the hydro-electric power commissions of the various provinces and the Canadian National Railways. Sometimes they refuse to give the prices at which a tender is let. How can one establish the normal value if one cannot find out all the information? I am glad to note that the draft bill contains in clause 11 this provision:

> Where, in the opinion of the deputy minister, sufficient information has not been furnished or is not available to enable the determination of normal value or export price under section 9 or 10, the normal value or export price, as the case may be, shall be determined in such manner as the minister prescribes.

This means that if they do not want to give this information the department has the power to demand it, and I sincerely hope it will use that power in securing all the information required.

A tribunal is to be established consisting of five men. Who will these men be? Will they be capable men? Will they be men who have great experience in commerce and industry or will they be political appointees? If they are appointed on a political basis and not on the basis of ability the tribunal will be useless and the act will not be administered as it should be. When the government picks these five men who will make up the tribunal—and it is the tribunal whose word is final on whether or not a dumping duty should be imposed—I hope it will pick men well experienced in commerce and industry. I also hope the tribunal will report its findings promptly.

The draft bill also contains a clause dealing with the terms and regulations of the tribunal. I hope we will be told who will examine these regulations or terms. Will they be cleared by parliament or by the cabinet? I am not too sure on that point.

I am also a little concerned about a situation which could very well happen in Canada. I think all hon. members are aware that many American corporations operate branches in Canada. Let us assume that a United States corporation, with a subsidiary in Canada which has 90 per cent, 95 per cent, or even more of the Canadian market in respect of one product, has branches all over the world. It is possible it might decide it could make the product it is making in Canada more cheaply at one of its foreign plants. So it would decide to manufacture this product at another plant elsewhere in the world. Thus the Canadian plant would be closed down and many people would be out of work. Who would complain that there was dumping? It is certain that the corporate company in Canada would not complain because it would bring the product in and no dumping could be charged against it. It could continue to bring it in and no one would register a complaint. The only safety valve in this regard, and the one on which we would have to depend, would be that the union in that plant, if it felt that an injury had been caused it, would be perfectly within its rights to register a complaint with the tribunal and say that injury had been caused because the employees had been put out of work. I feel that this anti-dumping legislation is a step in the right direction. After all, our regulations have not been changed to any great degree since 1904. It is time this was done.

• (5:10 p.m.)

I sincerely hope that all the other countries which are involved in this agreement will carry their weight. It has not yet been proven to me that the United States will decide to go ahead with such legislation. I presume this will be the case, but I think Canada should know this first before it moves too fast so that we will begin anti-dumping legislation on an equal basis. Anti-dumping legislation is not the over-all answer. It is not the answer to help Canadian industry to survive. It certainly is a help but it will not correct the situation altogether. We must look at the existing non-tariff barriers and do something about them in the form of legislation. Nothing in this legislation will relieve the problem of low wage countries exporting to Canada in great quantities.

I am told that Italy, with a wage rate about one-third that in Canada, is a large manufacturer of electrical appliances. Italy will and is now exporting these products to Canada. They have other advantages, including a tax structure which the Canadian manufacturer does not have. While the Canadian manufacturer has a 50 per cent corporate income tax slapped on his profits a company in Italy may only have to pay 5 per cent in income tax and in addition is allowed to plow all its profits back into development and research. These are the type of things that are causing real problems in Canada.

Then we have the most-favoured-nation agreements. We have such an arrangement with Russia which I think expires next year. Because of this agreement heavy dump trucks

and power shovels that are made in my riding must compete with the heavy equipment brought in from Russia because Russia was given most-favoured-nation treatment. I pause to wonder why this concession was given. When it comes up for renewal I hope the house will give very serious consideration to the facts behind it.

We also have a treaty with Australia. Australia exports canned peaches to Canada. This is causing problems for the Canadian fruit growers.

A free trade agreement in respect of agricultural machinery was made in 1944. It was a one-sided agreement. No mention was made of parts. Now we have the situation of Canadian agricultural machinery manufacturers deciding to move their plants to the United States. The Canadian plants that were supplying parts for agricultural machinery are now trying to export the parts to these plants in the United States. They find there is a duty on Canadian agricultural machinery parts and therefore they cannot send these parts into the United States without paying a duty while the United States manufacturer of agricultural parts can ship these parts into Canada duty free. I wonder what goes on here. These non-tariff barriers are certainly detrimental to the manufacturer in Canada.

Then we find that the government gives business to offshore companies. This is another thing which we should take a look at. I know for a fact that transformers used on the Nelson river project here in Canada were supplied under a contract given to the U.K. Electric Company in the United Kingdom. When that tender was given this Government knew that Canadian industries are not even allowed to quote a price in the United Kingdom. Yet we turn around and give the U.K. Electric Company an $8 million contract to supply the transformers for the Nelson river project. Because of this 1,000 men have lost work for a period of a year in my riding since the General Electric Company did not receive the contract for those transformers, and they were the second low bidder. I must not enlarge on this any more, but I did want to mention that the non-tariff barriers are just as important and perhaps more so than the anti-dumping legislation. However, the anti-dumping legislation is a step in the right direction.

I shall conclude by saying what I said at the beginning. Give the Canadian manufacturers the same set of rules. Let them play on anywhere in the world.

Mr. Gillespie: Mr. Chairman, I too intend to keep my comments brief. Much has been said about the importance of this legislation. Much has been said also about the effectiveness of the committee on which we all jointly worked together. I should like to add my comments in respect to the committee and how it worked. I express the hope that this might well serve as an inspiration to other committees which have not always found the going so smooth nor perhaps so satisfying. I think this is partly because we were well served by our chairman, the hon. member for Gatineau, by the parliamentary secretary, by the officials, and I think as well by the calibre of the briefs that were submitted to us by interested industrial groups. There was comprehensive and frank discussion at all times.

The importance of this legislation has been referred to by members from all corners of the house. We have been reminded that Canada is a trading nation and that more than most nations we depend on exports and on conditions or the climate abroad that will receive Canadian exports. Equally I think we might remind ourselves that we are a vulnerable nation from the point of view of imports.

• (5:20 p.m.)

The hon. member for Wellington spoke eloquently on the problems of non-tariff barriers. There is no question that these are serious. Other hon. members, including the hon. member for Okanagan Boundary, spoke about the problems of imports in the agricultural area and the need for protection and effective administration.

Let me for a moment refer to the international context in which we as a trading nation operate. Let me go back a little to the period immediately following the war when the hopes of mankind were focused on new international institutions, and I refer to the Bretton Woods agreement, the Marshall plan and the General Agreement on Tariffs and Trade. These were three international expressions of good will and faith in the idea that through increasing trade we could improve standards of life throughout the world. Since then we have seen the development of the European economic community, also an organization which recognized that by lowering tariff barriers internally you could raise the standard of life internally.

These are the sort of things which reflect the spirit of the Kennedy round, the idea that men of good will jointly could create conditions abroad which would stimulate trade and

at the same time protect national interests at home. At the same time I think many of us have watched with growing concern some of the trends that have developed south of the border. I refer to the guide lines that were introduced earlier this year, at the very moment the Kennedy round was indeed instituted in many parts of the world.

On January 1 the United States took measures to restrict certain trade practices in the interests of its own balance of payments, or to offset difficulties which were perhaps more of a banking nature than of balance of payments, but that is another speech. The protectionist feeling in the United States has been growing and we have seen manifestations of it during their last election. I would hope that the sort of action that Canada has taken, that this house is taking now in supporting and passing the anti-dumping bill, will be noted by our friends south of the border and give heart to those who would stimulate rather than discourage free trading practices. It is very much in Canada's interest to pass this legislation because I think it fosters a climate and spirit of enterprise both at home and abroad. It provides conditions under which entrepreneurship can flourish. It stimulates outward-looking attitudes rather than inward-looking ones.

This is consistent with risk taking and innovation. There are, of course, dangers and we have been reminded of them, but any great opportunity involves danger. Given prompt, effective administration of this legislation we can do much to create favourable conditions abroad for our own exporters and at the same time protect the interests of all Canadians at home, consumers and producers.

Mr. Burton: Mr. Chairman, along with other members of the standing committee of finance, trade and economic affairs I can testify to the hard work of that committee in studying the anti-dumping code as it was proposed in the white paper put before the committee by the government. I also wish to join with others in paying tribute to several members who put in a great deal of work on this study.

One thing that impressed the members of the committee was the complexity of the factors involved in dealing with the code as it was proposed. For this reason some of the provisions were left in a rather general and flexible way, thus enabling the authorities who will be charged with the administration of the code to have the necessary room to determine, on the basis of experience, the application of the law.

It was demonstrated during the hearings that the administration of this legislation involved a very important aspect of its operation and that it is really quite essential we do have effective and rapid administration of its provisions. Attention was drawn by the committee in its report to this particular aspect of consideration when it stated:

> Your committee wishes to underline the necessity of prompt and effective action to ensure the carrying out of the intent of proposed legislation with regard to injurious dumping.

For this reason, Mr. Chairman, the composition of the anti-dumping tribunal is a very important matter. Again the committee commented on this in its report when it said:

> Your committee recommends that the tribunal be duly constituted with members of the highest calibre at the earliest possible date.

I certainly concur in the wording of that recommendation because it is important that we have a representative group of people who can speak with some knowledge of the various considerations which have to be taken into account in dealing with the work of the tribunal. We need not only the viewpoint of industrialists and representatives of industrial concerns with technical knowledge; we also want to bring to bear the viewpoint of primary producer groups such as agriculture, and the interests of consumers. I would therefore urge upon the government that it obtain as wide representation as possible on the tribunal when it is appointed.

During the committee hearings it was noted there were some difficulties in respect of the interpretation of the code and the application of it in dealing with less than arm's length transactions of United States subsidiary firms operating in Canada. This is a matter which should be kept under very close study and, as well, in the future we should consider possible changes or improvements on the basis of experience.

It also seems to me that the evidence at the hearings underlined the need for rationalization of Canadian industry. We have to keep before us the effect of customs tariff amendments, the anti-dumping code and other measures which may be brought before us. They do not in themselves solve our basic economic problems. What we do need in many sectors of our economy is a restructuring and reorganization of much of our industry in order to maintain our international competitive position and to enable us to continue a rising standard of living.

The report of the committee also referred to the question of implementation of the code on an international basis. You will note that the committee report again stated:

Your committee notes that while agreement was reached on the principles of the anti-dumping code by participating governments, problems still remain with respect to the full implementation of the code among all participating nations. Your committee urges the government to continue to press for the full implementation of the code among all nations and expresses the hope that the passage of the proposed bill will be of assistance in achieving this objective.

I suppose this part of the report arises, in part, from some comments made to the committee by officials of the Department of Finance, in particular Mr. R. Grey, the assistant deputy minister, who appeared before the committee on December 4 and stated as follows:

• (5:30 p.m.)

I think it is fact—I make this statement after some consideration—that some uncertainty has been created as to whether or not the United States tariff commission, which is an independent body of the executive, in a sense, will act in such a way on this point as to be consistent with the code.

There is nothing in the rider which requires the tariff commission to act in such a way as to be inconsistent with the code. It merely enjoins them that discretion is not limited.

They can therefore exercise their discretion to be within the code or not be within the code, depending on the facts of what by definition is likely to be a very complex case.

Mr. Grey in his further testimony quoted the words of the United States delegate at the meeting in Geneva of the committee on anti-dumping. He stated that in case of conflict the present provisions of United States tariff law would take precedence over the international anti-dumping code. Of course, as a point of law this is also the case in Canada. He suggested that in fact there was potential conflict in the case of the United States and some possibility that the United States may not at some time in the future comply fully with the provisions of the anti-dumping code. At the same time Mr. Grey in part, speaking on instructions also, recommended that this should in no way deter Canada from adopting the anti-dumping code. Much as I subscribe to those words, I would express the hope that the United States will comply fully with the anti-dumping code. I find myself in the rather unhappy position of noting that it seems to me that on this occasion as on others we are the country that first has to take action and then later try to persuade the United States to come along.

During the course of the hearings it was also noted that there are certain problems with respect to the agricultural industry, not so much with regard to anti-dumping but depressed prices over a period of time. It was felt that perhaps some progress would be made through the new section that has been provided in the Customs Tariff Act. I would urge, however, that this matter be kept under constant study to ensure that some sectors of our agricultural industry, particularly those concerned with the growing of fruit and vegetables, are not seriously affected by continued unfair competition from United States' surplus production.

There is one further matter I should like to draw to the attention of the committee. It is that considerable time was spent on the problem of the case of one dump of goods being made in Canada. Only one dump is made, which does not enable the authorities to take action, and there is no repeat case with regard to which they can take effective action. It seems to me this is a further aspect of the problems of dumping which should be kept under review.

In conclusion, Mr. Chairman, I of course support the resolution before us and hope it will be a step forward in dealing with our problems of international trade. However, I express the hope it will not be a stopping point and that we will not take a static approach to the problems of international trade. I hope we will continue to evolve our approach to these matters and will in fact make further progress toward achieving the goal of true free trade.

Mr. Lambert (Edmonton West): Mr. Chairman, there are a few minutes left for me to address some remarks to the committee on subjects that I do not think have been dealt with extensively by my colleagues in the house and particularly those who were members of the committee. I think that referring the white paper and the draft bill to the committee is perhaps a blueprint of what many of us have hoped would happen to much legislation. Perhaps it will serve as an example for the legislative process in changing the rules of the house.

Hon. members will find the report of the committee at page 469 of *Votes and Proceedings* No. 60. If hon. members turn to page 470 they will see the extensive amendments proposed by the government or accepted by the government as a result of the hearings and the observations of members of the committee. Personally I do not think they went

far enough in two or three instances. I will have something more to say about this when we reach committee stage of the bill.

There are two or three things of a general nature that I should like to discuss at this time. I would refer hon. members and the general public to the proceedings of the committee which as an experiment, certainly as far as I am concerned, appeared after a certain date in both English and French. May I say that I think the staff of the committees branch must be congratulated on the efficiency and speed with which they produced the transcript of the proceedings. After all, we used to hold sessions morning, afternoon and evening sometimes on Thursdays and by Monday we had a transcript of everything that had transpired at those sessions. This is a completely new dawn as far as committee hearings are concerned and I think the officers of the house and of the committees branch must be congratulated upon it. I hope we will see this practice spread through committees.

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): Unless this is to be the practice in all committees, the hopes and aspirations of government members and others on the committee on procedure will count for nought because the committee system will break down even more than it has in the past when we sometimes waited two or three weeks for a transcript of committee proceedings.

With regard to the anti-dumping code, hon. members who wish to look for it in the proceedings will note that several members of the committee, including myself, indicated some apprehension about the code. I suggest to hon. members that because of the decision limitation of 180 days, if all proper steps are taken, there can be one free dump. Although dumping may be discovered and dumping duty imposed, it is the crown that recovers the difference between the dump price and what is deemed to be the normal value of the goods. But what of the industry that suffered? There is no way of compensating the industry.

This is almost like Marie Antoinette telling the mob in Paris that if they cannot have bread, let them eat cake. This is tantamount to telling the industry that has lost business and the workers who have become unemployed, "We did apply dumping duty and the crown got its pound of flesh". This does not provide bread and butter for the people in the industry who became unemployed as a result of the serious effects of dumping practices. Let us not be naive. Let us realize there have been and there will continue to be efforts to dump.

• (5:40 p.m.)

I was particularly concerned with the representations made by the heavy electrical goods industry. We have heard it said in speeches made this afternoon that the effectiveness of this legislation will depend entirely on the celerity and the effectiveness of the administration. We can pass ten anti-dumping bills, but if there is not quick and effective action under the provisions of the legislation it is all for naught.

I would refer hon. members to the report for Thursday, December 5, and the evidence of the heavy electrical industry at the time in which it was graphically pointed out that in the case of heavy electrical equipment dumping takes place at the time of the submission of bids and not when the equipment may come in, say two years later. It may be that when the equipment does come in anti-dumping duty is collected but, as I have previously asked, what happens to the workers and to the firms which have lost the work as the result of a tender bid in which the dumping actually took place?

The Department of National Revenue is in a rather difficult position. The deputy minister would not have the information to initiate an investigation. In fact, the industry itself would have difficulty in getting information for him because, unfortunately, it is the practice of many utility bodies throughout this country, some of them private corporations but most of them public bodies, not to publish information with regard to tender bids. The same applies to some crown corporations such as the Canadian National Railways. It is not possible to get any information from them because it is against their bylaws to publish such information. But how on earth can one protect Canadian industry if one cannot get the information to initiate an investigation to determine whether or not dumping has taken place? I know it has been left over for further consideration as to what steps might be taken to either compel or obtain co-operation from these various bodies so they might make the information available to the Department of National Revenue or to the industry itself.

There is one further remark I would like to make briefly at this time, but I will have more comments to make during the clause by clause study later. In the Kennedy round of

negotiations it was felt that Canada's position with regard to anti-dumping legislation, that is, the power of the deputy minister of national revenue under section 6 of the Customs Tariff Act, was a form of discrimination and was, shall we say, one of the non-tariff barrier practices. In its negotiations in the Kennedy round Canada decided as part of the package deal to give up its position under the Customs Tariff Act, and agreed to the code. I wish the other trading partners in the negotiations had been as free and generous as Canada because none of their non-tariff barrier practices were the subject of negotiations and none have been corrected. It is hoped that as a result of the Kennedy round Canadian exporters or Canadian industry will have better access to foreign markets. However, let us be quite frank. Our trading partners, the British, the Swedes, the Germans, the Common Market, the Japanese, the South American countries, all have their non-tariff barrier practices, some of which are frankly nefarious. I am glad to see that the committee report recommends that the government initiate immediately negotiations for the elimination of more of these barriers. I do not think we are going to see a real improvement in trade until some of these practices disappear.

I hope we will pass this resolution very quickly, now that I have had my say, of course, but I understand that one more member wishes to speak and then we can proceed to the discussion of the bill clause by clause. I commend the resolution to the house.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I do not want to take up too much of the time of the house, but I want to point out that although I was a member of that committee, I did not attend all the meetings because I am on too many committees. When it was decided that all committees would sit at the same time, I could not attend both meetings simultaneously.

I should like to draw the attention of the house to something which I realized during the committee meeting. First of all, however, I wish to congratulate all the members as well as the chairman of the committee. We were absolutely free to ask all the questions we wanted and to hear any witness.

I realized, Mr. Chairman, that all the evidence was given by producers. The minutes of the proceedings include a list of the main witnesses, who were the minister, the Graphic Industries Association, the Canadian Textile Institute, the Canada-Japan Trade Board, the Canadian Electrical Manufacturers Association, the Canadian Westinghouse Limited, and so on.

I would have liked the committee to sit longer, to allow us to hear the evidence of the Consumers Association, because the economy is made up not only of producers, but of consumers. However, Mr. Chairman, the Canadian anti-dumping draft legislation stems from agreements negotiated during the Kennedy Round between the participating countries, of which Canada was one. It is, in actual fact, a special act to bring our legislation into line with the international code concerning the application of anti-dumping duties.

• (5:50 p.m.)

Under our economic system, the sole objective of trade consists in realizing more and more profits at the expense of others. This financial system automatically results in lack of purchasing power on the part of the consumers. Therefore, it is clear that this legislation will afford some protection to the Canadian producers wanting to monopolize the domestic market.

Besides, Mr. Chairman, on reading the evidence gathered by the standing committee on finance, trade and economic affairs, as well as the various briefs submitted to this committee by producers, associations and groups, it can be realized that they are interested solely in protecting their customers through Canadian legislation preventing imports of foreign products that would take a larger share of the Canadian market.

Arguments put forward are indeed very persuasive. For instance, it is argued that imported products at lower prices than other similar products manufactured in Canada will jeopardize the Canadian industries, reduce the number of jobs and perhaps cause the bankruptcy of several industries. Some emphasize that it is essential for Canada to be protected against foreign exports as our trade balance with other countries may be seriously affected.

We, of the Ralliement Créditiste, do not accept these arguments because we believe in an economic system geared to the satisfaction of human requirements and to the subordination of the methods to the results we are proposing. Consequently, as we have always

indicated, we are guided by the following principles.

The purpose of economic order is to ensure that the needs of the consumers are met, and nothing else.

The end is more important than the means, and the means must be subordinated to the end, and the hierarchy of the various ends must be respected.

The purpose of industry, in all its forms, is to supply goods and services, and not employment. Industrial organization is that much more perfect when it produces more while requiring less human work, leaving man free to exercise his activity in humanizing works.

Money has no other purpose than to help economic life to achieve its end without obstructing it, managing it, or conditioning it.

The nature of things, sane reason and social justice teach us that the end of economic activity should be none other than the material prosperity of society, the well-being of the whole human community. The economy must not aim towards creating wealth for its own sake, or for only a few and it must endeavour to satisfy the needs of all and to produce goods which really make richer all citizens of the country.

In economics it would be said even more plainly that the end of the economic activity is to serve the consumer first. That objective must inspire any truly social, truly human economic policy.

The aim of the economic activity is to meet the needs of the consumers. However, the needs of the consumers will be met more easily and more fully if the products they need and want to get are available to them at prices they can afford.

It can be said that the legislation under consideration affects the consumers very closely because it can deprive them of the products they could not get at the prices now in force in our economic system.

International trade is made essentially of commercial transactions between countries. Purchases of shirts from Hong Kong, shoes from Italy, wines from France, woollens from Great Britain, these are imports for Canadians, imports of goods which other countries can offer to Canadian consumers at better prices, or goods which are not produced in Canada, or which are difficult to produce here according to recognized standards.

Conversely, sales of news-print to the United States, of wheat to Soviet Union, of bacon to Great Britain, are exports for Canada, exports designed to meet the needs of the consumers in those countries.

Thus, it can be said that international trade is a sound thing, and so we must support any measure designed to abolish hindrances, to enable consumers to satisfy their needs. In fact, if some countries produce easily and abundantly certain goods, other goods are better and more plentifully produced elsewhere. So trade between consumers of different countries is a beneficial thing.

However, we must realize that one of the greatest difficulties in international trade stems from the fact that countries want to export more than they import, to ensure a "favourable trade balance".

In fact, we know with what insistence public relations men in the Department of Industry, Trade and Commerce make every effort to show us that we export more goods and services than we import.

This philosophy, which is not that of the Social Credit, is based on the principle that gold and silver alone are desirable. If such tenets were justified, all trade between countries and even between citizens in a country should be abolished.

Assuming that gold and money were the only wealth, we could brand as madmen people who would be giving away their money to buy a suit or a car. However, today everyone realizes—and consumers are no exception —that what they need is bread, food and clothes, which are the true wealth and which will fill their every need.

Mr. Chairman, may I call it six o'clock?

Mr. Gray: Mr. Chairman, I rise on a point of order. I wonder if the committee would allow the hon. member to complete his remarks before adjourning the debate on the resolution?

[*English*]

The Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gauthier: Thank you very much, Mr. Chairman.

I shall simply summarize the remarks I intended to make in order that the resolution can be passed, because we want this bill to go through.

Under a finnacial system based on gold, or a system based on money and credit created by individuals who control the amount in

circulation, countries cannot avoid exporting some of their surplus goods which domestic consumption cannot absorb for lack of purchasing power.

They cannot avoid either imposing restrictions on imports, because domestic producers fight in order to grab for themselves whatever small share of the purchasing power the consumers have left.

It is obvious that all this boils down to a matter of sharing the existing purchasing power amongst those who have goods to dispose of.

Mr. Chairman, here are the solutions in brief, because I want to shorten my remarks: Compensated discount on Canadian goods; lower Canadian prices by removal of a lot of taxes which increase prices; reforming our financial system, of credit-debt which pushes prices upwards.

• (6:00 p.m.)

[*English*]

Resolution reported and concurred in.

ANTI-DUMPING DUTIES

Hon. Donald S. Macdonald, Rosedale (for the Minister of Finance) moved for leave to introduce Bill No. C-146, respecting the imposition of anti-dumping duty.

Motion agreed to and bill read the first time.

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

Some hon. Members: Later this day.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be debated at the time of adjournment tonight are as follows: The hon. member for Fraser Valley West (Mr. Rose), Indian Affairs—Competition for position as adviser on policies and programs; the hon. member for Peel South (Mr. Chappell), Airports—Toronto—Protests against expansion of facilities; the hon. member for Regina East (Mr. Burton), Consumer Affairs—Request for investigation into price of toys.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, public bills.

PRIVATE BILL

BRITISH NORTHWESTERN INSURANCE COMPANY

Mr. Warren Allmand (Notre-Dame-de-Grâce) moved the second reading of Bill No. S-9, respecting British Northwestern Insurance Company.

He said: Mr. Speaker, since this bill has already been before the house on three occasions I will not take very long to explain it. It was before the house on November 3, 1967, January 23, 1968 and February 29, 1968. On November 3 I made a detailed explanation of the bill, to be found at page 3813 of *Hansard* for that date.

The purpose of the bill is to permit the British Northwestern Insurance Company to change its name to Eagle Star Insurance Company of Canada, and to increase the authorized capital. The reason for this is that the parent company of British Northwestern is known under the name of Eagle Star Insurance Company and wants its Canadian subsidiary to be known by the same name. Another reason is that the name "Eagle Star" is well known in the insurance world and the directors of the company feel that by adopting that name substantial benefits will accrue to their operation in Canada.

As I said previously, British Northwestern Insurance Company was incorporated in Canada in 1906 and has been doing business here since that time. Although fully owned by the British company, Eagle Star Insurance Company, all but two of the directors of the Canadian company are Canadians. The company invests extensively in Canada and employs many Canadians as a result of its operations and investments. I point this out merely because some hon. members in previous debates raised objections. Despite the objections of some hon. members to the fact that this company is owned by a British parent, I point out that this bill asks for no substantial changes in the company. As I said, the company invests in Canada and most of its directors and personnel are Canadians. I hope hon. members will allow this bill to go before the committee where they may examine further the officers and directors of the company.

Mr. Howard (Skeena): Would the hon. member permit a question relating to the capitalization of the company? I have been

given to understand that the company is not all that serious about the capitalization aspect of the bill and might be prepared to forgo that part of its request if that would facilitate passage of the bill through the house. Has the hon. member any knowledge of this?

Mr. Allmand: Mr. Speaker, after the bill was first debated in the house I discussed this matter with those in the company who are in charge. Since they merely wish to change the name of the company they would be willing to drop those sections of the bill relating to increased capitalization. Of course, they would have liked the increase but if there is objection to that aspect they would be willing to drop that aspect and to ask only for the change of name.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we would prefer to see this bill go throuh the house as rapidly as possible at this stage and go to committee where answers to certain questions might be obtained. With regard to the change in capitalization, it is evident that the company needs more capital because of expanding business and the bilingual nature of the company giving it opportunities to operate in Quebec. This is very commendable. Having said that, I do not feel that the entire operation of the company ought to be reviewed as though it were seeking incorporation. Here they merely wish to change their name.

An added reason for the company to seek increase capitalization is that besides taking into account its greater volume of business and its improved position it must also take into account the factor of inflation. That factor alone would require the company to obtain greater capitalization. It would be rather reprehensible if we held over the heads of the directors of this company and the petitioners for this bill the requirement that they drop their legitimate request for an increase in capitalization in return for changing the name of the company. I think we have to be much more responsible than that. These people are legitimate, responsible business people and as long as it is the procedure that insurance companies shall come before this house for incorporation or any changes in their charters which are required by legislation, we must meet them as responsible individuals. Therefore I hope that Bill S-9 will be sent without undue delay to the committee on finance, trade and economic affairs where perhaps more questions could be asked and where we might also clear up a number of changes with respect to insurance charters which are long overdue.

• (6:10 p.m.)

Mr. John Gilbert (Broadview): Mr. Speaker, I am sorry I did not hear the remarks the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) made on an earlier occasion, which are reported on page 3813 of *Hansard* for an earlier session. I have not had an opportunity to read them and this puts me under a cloud when it comes to discussing this important measure. I notice that Bill S-9 has an explanatory note attached to it which says:

> The purposes of this bill are to change the name of the company to Eagle Star Insurance Company of Canada, and, in French, Eagle Star Compagnie d'Assurance du Canada, and increase the capital stock of the company from $2,000,000, divided into 50,000 shares of $40 each, to $5,000,000 divided into 125,000 shares of $40 each.

So there are two main purposes. One is to change the name of the company and the other is to increase its capitalization. You will notice, Mr. Speaker, that the present name of the company is British Northwestern Insurance Company and that the change proposed is to Eagle Star Insurance Company of Canada. The company happens to be a subsidiary of Eagle Star Insurance Company which is a British company of world-wide renown—a company which is very old and very large. I understand that it sells fire and casualty insurance.

The parent company is desirous of identifying this subsidiary more closely with its operations, I understand, and to consolidate its Canadian activities through this Canadian company. I understand also that the parent company itself does business in Canada and is registered under the Canadian and British Insurance Companies Act. Another item of note is that the parent company owns all the stock of this subsidiary, and sells general insurance.

I thought we might have a dialogue between the members of my party and the hon. member who introduced this bill concerning not only the name but the question of foreign ownership. I am directing my remarks to the name, and I am sure that when I have finished the hon. member for Notre-Dame-de-Grâce will gladly take part in this debate. I must say I am confounded by the change of name proposed, the proposal that a name like British Northwestern Insurance Company be changed to Eagle Star Insurance Company. When one thinks of the word "British" one thinks of the British

empire, one thinks of the British commonwealth—

An hon. Member: And of the lion.

Mr. Gilbert: Yes, one thinks of the lion, as my hon. friend has suggested, a symbol of strength and solidity. But when I think of an eagle I think of our United States friends, of the eagle they have on their coins and all that the eagle represents in terms of United States power. When I think of a star, I think of the stars and stripes. I think, too, of the red star in Russia, another connotation.

Here we have an application to change the name British Northwestern Insurance Company to Eagle Star Insurance Company of Canada. I do hope the hon. member has good and valid reasons for wanting to make this change and will not say that it is just for the purpose of consolidating the company's activities in Canada. As a person who has sprung from British parentage I would not like to think that any attempt was being made by this company to Americanize this subsidiary, to give an impression to Canadians that it is a United States company by setting forth the words Eagle and Star. It seems to me we have gone far enough already with regard to the integration of our economy and the penetration of foreign ownership. Surely we would not attempt at this stage to change British Northwestern to Eagle Star of Canada for the purpose of conveying to Canadians and to the world at large that this was a United States concern. I notice that the hon. member seems anxious to rise at this point.

Mr. Allmand: Would the hon. member answer a question? At the beginning of his remarks he mentioned that the Eagle Star Insurance Company was a world renowned British insurance company. Would he not agree there is good reason to change the name of the Canadian subsidiary to the name of its British parent so that it would be identified with the parent organization?

Mr. Gilbert: That is an excellent question from a member who used to belong to the same party as I do. If I were to compromise, and I seldom do possibly because of my Irish background, I would prefer to do so on the basis of a name which at least had a British flavour. I have read a study of this particular company, and it shows a long list of other undertakings owned or controlled by Eagle Star. The list includes the Army, Navy and General Assurance Association, the British Crown Assurance Corporation, the Eagle Insurance Company, the Home and Overseas Insurance Company, the City of London Insurance Company, Jacksons of Wandsworth Limited, the Liverpool Reversionary Company, and so on. There are about 25 incorporated companies. If the hon. member were to assure me that the parent company intends to change all these names to "Eagle" so as to convey the impression that they are all under the protective wings of Eagle Insurance I would be inclined to agree with what he says. But I do not think he can give me such an assurance this evening and I doubt that the owners and directors of this privately-owned company would do so.

The study goes on and on. It deals not only with insurance companies but other types of business in which the parent company is interested. We learn that the company operates in England, in Australia, in the Bahamas, in Barbados, Canada, Jamaica, Nigeria, Zambia and South Africa. That is an impressive list.

I think we ought to consider the name Eagle Star in depth because of the serious consequences it might have in conveying to Canadians a connotation of United States ownership. Many people say: What's in a name; that which smells like a rose, that which is a rose, smells the same by any other name; Shakespeare can be the same by any name. I am sure you know that quotation, Mr. Speaker. I kicked it around a little. That which we call a rose can smell as sweet by any other name. I would be happier if I were sure that the purpose of this application was not to convey to Canadians the impression that our economy is not integrated with that of our United States friends.

• (6:20 p.m.)

I turn now to the question of ownership. When I studied the question of ownership I found, when considering the extent of foreign ownership in Canada, that 80 per cent was owned by the United States, 12 per cent by the United Kingdom and the remainder by other countries. You can see the impact that these companies have made. This is why I was so impressed with the former minister of finance, Walter Gordon, when he brought the problem of foreign ownership to the attention of Canadians.

I recall the introduction of the revisions to the Bank Act in 1966. One provision was the lifting of the ceiling on the 6 per cent interest rate. A group of young, avant-garde Liberals saw something wrong in this and they had a meeting at Peterborough under the guidance of Walter Gordon. I am inclined to think that

the hon. member for Notre-Dame-de-Grâce was one of those avant-garde Liberals who met at Peterborough to devise ways and means of meeting this lifting of the interest rate ceiling. I am rather surprised that he has introduced this bill because I think of him as one of the young men in the Liberal party who is far ahead of the cabinet ministers in regard to the economic situation of Canada and the foreign ownership problem.

When Walter Gordon brought this problem to the attention of Canadians he did them a great service. He underlined the problems that face Canadians today. In his book, "A Choice for Canada", he set forth the balance of payments problem which foreign ownership imposes on our economy. We still have that balance of payments problem. We still have an attempt by foreign-owned companies to penetrate the Canadian economy. When one thinks of this one cannot help but think that if we lose our economic independence we may well lose our political independence.

We should also keep in mind the great change that has taken place in society. At one time a large segment of our economy was within industrial control. Some 40 per cent of our economy was geared to industry, which meant that 60 per cent was geared to the service industry. With major technological advances it will be no time at all until only 25 per cent of our economy will be taken up by industrial development and 75 per cent will be service industry.

The insurance business is a service industry. One would hope that we as Canadians would direct our attention at least to controlling our service industries. Many Canadian insurance companies have been lost to foreign ownership. We had the recent example of Excelsior Life which is owned by the Aetna Insurance Company of New York. It has a tremendous spread of ownership not only in Canada but throughout the United States.

The hon. member for Notre-Dame-de-Grâce said that the directors of the company in question were mostly Canadians. He is quite right. In fact the law requires that the majority of the directors be Canadians and that they become Canadian citizens resident in Canada. The hon. member said that two of the directors were resident in Britain. We would like to see the law applied so that the majority of the shareholders would be required to reside in Canada. This company has a wide spread of ownership throughout the world. More important, its ownership is in private hands. It is not publicly owned. It affords no opportunity to Canadians to participate in the growing service industry in Canada. This is why Walter Gordon was so emphatic about setting up the Canada Development Corporation. Through it he saw an opportunity for Canadians to buy shares in Canada.

When I see the Eagle Star Company, which is owned 100 per cent by English interests, offering no ownership to Canadians I cannot support the application of British Northwestern Insurance Company to change its name and its capitalization. The main purpose of this bill is to change its name and its capitalization. I would hope that the company would retain that great and noble name, "British", and would have the strength and courage to change its capitalization to give Canadians a right to own one of the largest service industries that we have in Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, talking about this bill is like talking about an old friend. I am surprised that this company has not taken a simple method of solving its problems. I have never noticed that Mr. Humphrys was unequivocal about anything, but I would quote the following from the minutes of the proceedings in the committee of the other place:

> Senator Croll: If I have insurance with the British Northwestern Insurance Company now will I continue my policy with the British Northwestern Company or do they transfer me over to Eagle Star?
>
> Mr. Humphrys: You will continue your policy with this company and in all respects your policy will be valid and unchanged, but the name of the company is being changed so that when your policy is renewed you would get a new policy which would carry the name of Eagle Star of Canada, but it is the same corporation, the same corporate entity with the same liabilities.
>
> Senator Thorvaldson: Really it is just a change of name. That is all that is involved in this bill.
>
> Mr. Humphrys: Exactly.
>
> Senator Thorvaldson: Plus the increasing of the capitalization.

On a number of occasions Mr. Humphrys refers to the change in name, but the increase in the capitalization does not seem to carry any weight with him. If it is only the change of name that is important I wonder why the company does not obtain it through letters patent. Recently a number of companies changed their names by that method. But I think there is more to this matter. This is not a small company. It is a very large company. This company is being dishonest in saying it wants to bring all its companies under the Eagle banner. That is not what is intended.

This company, when it operates, suits itself as to what its name will be. I wonder about this. It has been very prone to change its name.

Mr. Allmand: Mr. Speaker, may I ask the hon. member a question? He just said that the company was being dishonest because it said it wanted to change all its subsidiary companies and put them under the name of Eagle Star. Would he advise where the company stated it wanted to put all its companies under the name Eagle Star?

• (6:30 p.m.)

Mr. Peters: I gather from memory that the hon. member in his introduction said that this was the intention of the company; that is, that the reason for changing the name to Eagle Star Insurance Company of Canada was that this is the name of the company in England. If that is not so, then it is all right. Let us look at this matter of the name. This company was incorporated in 1906 as the Freehold Fire Insurance Company. Then there was an amendment in 1906 changing it to the Prince Rupert Fire Insurance Company. Then again in 1908 it was changed to the British Northwestern Fire Insurance Company. It was reincorporated in 1910 under a dominion charter which was amended in 1952 changing the name to the present form. A dominion licence was issued to this company in 1912. It has called itself the Freehold Fire Insurance Company. It has called itself the Prince Rupert Fire Insurance Company. This should interest my friend because I am sure he will wonder why they gave up that name. Then it was called the Northwestern Fire Insurance Company, and now it is called the British Northwestern Insurance Company. So, this company continually over the years has changed its name. This reminds me of the people during the difficult days of the depression who felt that it often was easier to change their address than to pay the rent.

It may be that this company, while using each of the names, received a certain amount of criticism from those who were buying insurance and changed its name for that reason. This however may not be the case; I do not know. Really I do not know the reason these companies change their names. I am not really sure why this company makes the statement that it intends to do business in Canada under its parent company while it also has several other subsidiary companies which write insurance in Canada at the present time. From the information I have I find it difficult to sort out which of its many companies are doing business in Canada.

Mr. Allmand: Mr. Speaker, may I ask the hon. member another question?

Mr. Peters: Yes.

Mr. Allmand: Does not the hon. member recall during one of our earlier debates when I pointed out that the Eagle Star Insurance Company intended to do all its insurance business in Canada under this one corporation, and that it was closing down the other subsidiary companies that carried out the business of insurance in Canada.

Mr. Peters: Yes, I realize that; but this is not really what they say this year. Although they do not say which they are, they have three subsidiaries doing business in Canada. Two of them have closed down, but they still have two because the parent company is registered and is doing business in Canada as well. This company, as have other insurance companies, has done very little for the insurance business in Canada. It is interesting to note in respect of some of these companies that come before us that they do not make a suggestion concerning something they wish to do that would be for the benefit of the insurance business in Canada. I have always failed to see why we should allow the establishment of a new company or why we should allow the change in the name of a company without some legitimate explanation. I do not understand the reasons. They do not change their method of doing business, and they probably do not change their shareholders. There is no indication that the company either went bankrupt or failed to pay its liabilities. In fact there is no indication that all through the years this company even changed its capitalization. As I understand it, originally 50,000 shares of a value of $2 million were authorized. I believe the authorization is still the same. So I presume this has not changed in any shape or form. The company, however, has been doing business in Canada as has the parent company.

In looking over the report of the superintendent of insurance it is difficult to ascertain whether the Eagle Star Insurance Company of Canada was underwriting its own insurance or whether it was tied in with some other company for reinsurance purposes. It might be that the parent company was carrying some of the re-insurance. It is difficult to know what the situation is. Because we are interested in insurance I think members

would be interested in looking over some of the types of insurance this company may write and some of the expenses the company may incur.

I should like to refer to one expense the company has, which I think is very limited. Certainly there are not too many senators on the board of directors of this company. I suggest that if this were the case the company would be paying higher directors' fees. The directors' fees amount to $7,600. Obviously these people are underpaid if the company is doing what it says it is doing. In the Senate report there was an indication that the company hired a majority of Canadians, in compliance with the act. They also had some people who came from England who were acting as directors.

We know that $7,600 is a very small wage. No senators will get fat on that. This probably is the reason they are not involved in the company—and it might be noted that this is not a very charitable company, in any case. Their charitable donations in Canada for a year amounted to only $511. Possibly the Secretary of State for External Affairs (Mr. Sharp) was talking about this kind of donation in respect of Biafra when he made the suggestion in the house this afternoon that charity begins at home. We should be interested in some of these facts because they probably give a better indication of what this company is, and some of the things that it is involved in. It does not matter whether the company changes its name, the same situation will exist because it has said it will exist.

• (6:40 p.m.)

Let us look at claims ratios incurred, less salaries and excluding adjustment expenses of some of these insurance companies. Perhaps hon. members will be surprised to find that the ratio of claims premiums earned in respect of fire insurance is 39.6 per cent to one. This means 61 per cent or almost that amount is spent on insurance claims, while over 39 per cent is returned to the company. That is a fairly sizeable amount.

My point is that if I want to do business in Canada, and a company such as this does not have a combines or monopoly, I should be able to shop around and get a better return for my money from the company in opposition to this one.

Apparently this company is also involved in the insurance business in relation to inland traffic and transportation, including, I would suppose, inland waterways. The ratio in this regard is 910.1 to one. It seems to me that stealing is not a grave offence so long as you have a licence.

There are other insurance fields of interest to hon. members. This company in respect of automobile liability has built up a 46 to one ratio in respect of premiums earned. That is a fairly sizeable amount. The ratio in respect of automobile life liability is 48.8 to one. As I suggested, it does not matter whether this company changes its name, it is not going to do anything for Canada or the insurance business.

But let me hasten to add that this company will do something for its shareholders in England. They have not done badly in many ways. Most Canadians do not realize, although I am sure the hon. member for Trois-Rivières (Mr. Mongrain) will agree, that there is a lot of money available in Canada for the purpose of exploiting Canadians. I think it is perhaps easier to exploit a Canadian than anyone else.

I note that one of these companies—and there are so many that this becomes complicated—owned by British and Northwestern Insurance Company is a company called Trizec. Hon. members will be interested in this regard. One of the major subsidiaries is the Place Ville Marie Corporation. The company also owns Triton Shopping Centres Limited, Inverness interests, which is an investment company I suppose in the maritimes, Imnoklia Incorporated, which has a controlling interest, Tri National Building Services, and National Cleaning Contractors, a division of Kinney National Services Incorporated.

Incidentally, Trizec is affiliated indirectly with Covent North American Properties Limited, which is well known to many members. In the past it has acquired office buildings and complexes, urban shopping centres and other developments in Halifax, Toronto and Vancouver, British Columbia, and now has an office building in Montreal. This is a wholly owned subsidiary of the Eagle Insurance Company, so that a lot of the money flowing to the parent company obviously finds its way to this company.

It seems to me that these companies should be owned by Canadians normally resident in Canada. This can of course, be a paper transaction. This company creates paper directors, most of whom do not own any stock. If this company has a lot of paper directors and the stock is owned by shareholders and under control of the Eagle Insurance Company, it then owns Northwestern Insurance Company

lock, stock and barrel. If you can work it out you can kick the stock around until you force a meeting to be held in Toronto. That stock must be brought from England by somebody who comes here to vote. this is not a real vote at all. It is a vote by a number of dummy directors in Canada who receive $6,700 per year. If we cannot do anything else, we can at least get the directors' fees increased, because while these are the people who are going to take the brunt of Canadian criticism, they have no say at all in this company.

We have an obligation as members of parliament to see that there is some competition in the insurance field. It is quite true that all insurance companies, and we will refer particularly to the fire insurance field—operate by zone areas, and consider the type of house and its construction as well as a number of other factors. They then set the rate per thousand in every given area. There is no legitimate reason a company coming into Canada, with a better system of operation, should not be allowed to deal with agents in a given area offering a better or competitive price.

We have heard a lot of talk about independent insurance agents. But they have made certain commitments, and when a new client comes into the office they reach into their file and pick out the application of the next insurance company on the list. The agent repeats this procedure, with the result that there is no competition. This involves nothing more than a search in his file drawer for the next insurance policy application. I suggest this is not in the interest of Canadians, particularly if this company is not willing to do something about it. It should make some other arrangements, and other insurance companies should be allowed to compete. I am sure they will find it not too difficulty to find money for their operations.

We are very pleased with the work of the superintendent of insurance in this field, but we must supply him with the machinery and the tools to enable him to provide us with information on which we can decide which insurance companies will work in the best interests of Canadians, for Canadians and owned by Canadians.

Mr. Frank Howard (Skeena): Mr. Speaker, as the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and others have said, the principal objective of the bill before us is to change the name of the company, accompanied by an ancillary objective to increase its capital from $2 million to $5 million. This is obviously frivolous; it is not a bona fide objective. If the company is prepared or willing to drop that aspect of the bill, in the hopes of obtaining the other, in other words if it is willing to dispense with the idea of increasing its capitalization by two and a half times, I am sure there would be no objection. Either that, or the company has some assurances that it does not have to worry about the capitalization aspect; it will be able to obtain that in some other way.

• (6:50 p.m.)

I think this reflects what has become, even though it was initially a supposedly secret and confidential matter, more and more widely known, namely that this government has given a commitment to insurance companies that they need not worry any longer about going through this process of obtaining alterations to their structure, incorporations, change of name, capitalization or anything else in so far as the private bill process is concerned, because the government has sold itself to them and guaranteed insurance companies and, trust and loan companies, that in the near future they will be able to do this by the letters patent process.

The government has made the commitment to them that in the future, presumably next session or even this one if the opportunity presents itself, it will introduce appropriate amendments to the public law of Canada, whatever it might be, whether it be the Canadian and British Insurance Companies Act or the Companies Act, whereby these companies will no longer have the display to the public their involvements and ramifications in order to get their way and have their will done. It has been a standard and I think proper practice in Canadian activity to require insurance companies, which have such a stranglehold on the economy and finances of this nation, to come to a public body and in public display make whatever changes they want in their structure.

The fact that the company so easily offered to dispense with the increased share capital aspect of this bill in order to get the bill through indicates that it was frivolous in the first place, which is making a mockery of parliament, or that it has some guarantee that it will be able to accomplish the same end in another way. Surely we cannot be expected to believe that for a company of this sort, with involvement in so many aspects of the financial world, in real estate and anything you can name, the principal objective of the bill is to change the name. That is nonsense. The

principal objective of the bill is to increase the capitalization of the company. Surely in the operation of companies their capital structure and profit picture is more important than the name. To expect parliament to believe that is asking parliament to be incredible. We simply cannot accept it.

This is an indication that government has once more sold out the interest of the Canadian people to foreign interests, not only by this procedure but even by the rule changes that are proposed. Rule 16A is a proposal which has been branded by the Conservative party—which I notice is unanimous in the house today in its view of the bill before us, and I imagine about everything else that may come before us in this hour—as the sort of rule that will remove effective parliamentary debate, as the sort of rule that only a fascist would ask for, as the sort of rule which could only be spawned in the minds of those who would be dictators. There is hardly a newspaper in the country that favours that which is contained within rule 16-A. No matter how odorous and rotten it is, it contains in its provisions the involvement of government in the affairs of this hour. So government, if it is not able to obtain the objective of favouring insurance companies, probably reflecting the degree to which campaign funds are received from them, has made the commitment to these compagnies and guaranteed that they will pass through parliament a public law—

Mr. Allmand: Mr. Speaker, I rise on a question of privilege. The hon. member seemed to indicate that campaign funds—I do not know whether he was referring to me or not—had been donated by this particular insurance company or other insurance companies. If he has any evidence to that effect, I would be pleased if the hon. member would bring it forward instead of making broad generalizations and insinuations.

Some hon. Members: Hear, hear.

Mr. Howard (Skeena): Mr. Speaker, I would like to tell the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) that I did not seem to indicate anything of the sort. I said it outright and directly. The Liberal party is the recipient of behind the scenes, under the table campaign fund contributions that the hon. member does not even know about, because the party does not bring him into its confidence anyway.

We ask the hon. member to be as honest in this regard as other hon. members of the house and the party to which I belong. Is his party willing to disclose the source of its campaign funds?

Some hon. Members: Oh, oh.

Mr. Howard (Skeena): No, you are not. You haven't got the guts to do so. You would sooner be bought.

Mr. Deputy Speaker: Order, please. I would suggest that we return to the issue before the house, which is Bill S-9.

Mr. Howard (Skeena): Mr. Speaker, I was well on my way to doing that when I was interrupted by a comment from the other side of the chamber. It was false and untrue, but nonetheless I was interrupted. The government has made a commitment to insurance companies and trust and loan companies that they do not have to worry about coming out into public display any longer with regard to their operations; they can do it privately.

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

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

ANTI-DUMPING DUTIES

Hon. Donald S. Macdonald, Rosedale (for the Minister of Finance) moved the second reading of Bill C-146, respecting the imposition of anti-dumping.

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

On clause 2—

Mr. Gray: Mr. Chairman, perhaps I might deal very briefly with some of the very interesting points made by hon. members when they spoke on the resolution stage of the bill, and I would like to thank them all for their participation in the debate. I think that they all put forward points of view which helped to illuminate this very difficult subject.

First of all, the hon. member for Calgary Centre asked for an assurance that the same protection would exist under the new section

7 of the Customs Act as under the former section 40(a). Perhaps I can meet his request by referring him to my comments when I opened the debate on the resolution stage. In speaking about the proposed section 7 of the Customs Act I said:

> We are proposing that this section be replaced—

I was actually referring to the existing section.

> —by a new provision—

—and I am referring here to the proposed section 7—

> —which will achieve the same result as the present law through the use of the surtax rather than anti-dumping duties.

I went on to say:

> Emergency action of this kind is contemplated under article 19 of the GATT.

I would also like to draw the attention of hon. members to page 101 of the white paper on anti-dumping tabled on behalf of the government of Canada by the Minister of Finance. In its explanatory notes the following is said with reference to the proposed section 7 of the Customs Act:

> These new subsections would replace section 40(a) subsection 7 of the Customs Act and in their application would have substantially the same effect as that subsection.

The hon. member for Kent-Essex was kind enough to note that I come from the same area of the country as he does, and that I share his concern about some of the matters he mentioned. I certainly share the concern of all hon. members from the area with respect to the interests of the area's agriculture and industry, a concern shared for example by my colleagues, the hon. member for Kent-Essex and the hon. member for Windsor-Walkerville.

Perhaps I should note, with reference to some of the very interesting comments made by the hon. member for Kent-Essex, in particular with reference to the corn situation which was very disturbing to many, that the action taken by the government with respect to corn imports was actually taken not under the existing provisions with respect to dumping but under the present value for duty section of section 40 (a) which is being replaced by the section 7 to which I have just made reference.

Often people refer to action of this type as being dumping action. If I am not mistaken, the term "dumping" has a rather precise meaning in the law of international trade, in referring to sale in one country at a price lower than the price at which the same goods are sold in the country of export, and it is not intended to apply to the problem of low cost imports when the goods are sold at what is considered to be a rather low price in relation to domestic goods but not at a price lower than they are sold in the country of export. It is with respect to the latter situation that action under the existing value for duty section was taken, and it is with respect to these value for duty sections that the government is proposing that they be replaced by a new section 7 which will make somewhat clearer that this type of action is emergency action authorized by section 19 of the GATT, and is not really meant to be included in legislation dealing with dumping. This is one reason why the existing section is being replaced with another one. The purpose is to make more clear the nature of the action that is intended to be taken with respect to low cost imports of the type which cause injury to Canadian production.

I might also say with respect to the comments of the hon. member for Kent-Essex, when he expressed some concern about the time that will be taken under the proposed new legislation with respect to dumping, that perhaps he may be reassured if he notes that the proposed legislation imposed time limits within which action must be taken, time limits which do not exist under the existing law.

The hon. member for Okanagan Boundary also expressed concern about the problem of low cost imports of agricultural products. He had something to say about the trade agreement with Australia. I am informed that this agreement does not exempt imports from Australia from the application of our dumping law, but rather it creates an obligation to consult with the Australian authorities when a complaint of dumping is made either with respect to goods that are intended to be imported into Canada from Australia or with respect to goods that are intended to be imported from Canada to Australia. But again, as I understand it, the agreement states that the consultations must be completed within a certain time period. If mutual agreement is not reached within that time period, then action under the dumping legislation can be taken. As I say, this is a reciprocal provision which would apply also if complaints are made with respect to the export of goods from Canada to Australia.

Anti-Dumping Duties

• (8:10 p.m.)

The hon. member for Wellington also made a most interesting contribution to the debate. He was good enough to mention that if it should happen that a subsidiary is importing goods from a parent company in a way which might be considered to be dumping, than the union representing the employees in a firm could make a complaint. I might add that it is my understanding the government can undertake an investigation into alleged dumping on its own initiative. As I understand the proposed legislation, it is not necessary for the government to wait for a specific complaint to be made, although I suppose that would ordinarily be the case.

Then, the hon. member for Edmonton West, in his own very constructive and useful remarks, referred to the continuing problem of non-tariff barriers. I believe there have been recommendations from the finance committee to the government calling for the intensifying of its efforts to bring about a further elimination of them. It has been said, and I expressed this view when we debated the changes in the Customs Tariff arising out of the Kennedy round negotiations, that the anti-dumping code, which does provides the source for the legislation we are considering now has as the major aim of lessening the impact of the non-tariff barriers as used by trading nations, in which dumping legislation was applied in an unreasonable manner. I might point out that the implementation of the undertakings of the code by the various nations that have signed it, in so far as dumping legislation being used by other nations in a way that creates harrasment for Canadian exporters, would mean the lessening of this non-tariff barriers and corresponding increases in opportunity for our Canadian exporters.

Finally, I should like to remind the committee of the whole house of one other decision of the Kennedy round negotiators, and that was to set up a special working party under GATT, of which Canada is a member, to develop programs for the further elimination of non-tariff barriers. I should like now to thank members of the committee for their kind remarks with regard to my own efforts in the committee, and of course it should be made clear that these remarks would have to apply equally to other members of various parties on the committee and certainly to our distinguished chairman. I am prepared to attempt to deal with questions members may have with regard to clauses of the bill, as we proceed with the consideration of it.

[Mr. Gray.]

[*Translation*]

Mr. Lambert: Mr. Chairman, I call on the parliamentary secretary's technical knowledge of the other official language and I call the hon. members' attention to the fact that there is a certain confusion about the terms "anti-dumping", "dumping" and then "dumped". If one looks at the French text, one finds that in clause 1, the present legislation is entitled:

Anti-dumping Act.

Then in paragraph (c), subclause (1) of clause 2, the word "dumped" is translated by the word "sous-évalue".

On the other hand, in subparagraph (ii), paragraph (g), subclause (1) of the same clause, one reads, and I quote:

—in the absence of any goods described in subparagraph (1), goods the characteristics of which closely resemble those—

I beg your pardon, Mr. Chairman; I wanted to quote another example, namely what is found in clause 3, and I quote:

3. There shall be levied, collected and paid upon all dumped goods entered into Canada in respect of which the tribunal has made an order or finding, before the entry of the goods, that the dumping of goods of the same description—

At line 13 of the same clause, one reads:

—an anti-dumping duty—

I wonder what is the real meaning of that text. Is it because, in a sense, one can use the adjective "dumped" goods which could be translated by "sous-évaluées", or else an "anti-dumping act" where again an adjective is used and it is called "antidumping"? Of course, I rely on the parliamentary secretary's knowledge to give us an explanation and I hope, Mr. Chairman, that he will not take that amiss.

Mr. Gray: Mr. Chairman, I want to thank the hon. member for Edmonton West. I feel that he has called the hon. members' attention to a very interesting point.

Evidently, the terms "dumping" and "anti-dumping" are acceptable in international French, since these words are used in what is called, I think, the "Anti-dumping Agreement".

For instance, section 8 of the agreement mentions anti-dumping duty and provisional measures. So it is obvious that the use, in the act itself of the terms "dumping" and "anti-dumping"—I speak of the French version—is entirely acceptable, because if the French version of the agreement entered into under

GATT uses the terms "dumping" and "anti-dumping", these terms are evidently acceptable, and not only in the international sense.

But the hon. member raised a more complex question. He called our attention to the use of the term "dumped", and I think it might be wise to withhold our final decision on that and resort to the advice of the parliamentary law clerk and counsel, who is usually in the house, nearby, in order to have a fuller explanation. The term "dumped" might be in the Customs Tariff now in force. We should perhaps withhold the final decision on that matter, because I will try to go more deeply into that question.

[*English*]

The Chairman: Shall clause 2 carry?

• (8:20 p.m.)

Mr. Howe: I should like to bring to the attention of the parliamentary secretary a problem that has cropped up within the last six weeks or two months. As he may know, some farmers went over to England and were able to buy tractors there, then bring them back to Canada. In one case, according to newspaper articles, farmers imported seven tractors at a saving to them of about $20,000. We know that not too many tractors are being manufactured in Canada, and I wonder whether what the farmers did is being frowned on by the government. My information is that some of the machinery companies have gone to the government and asked it to do something about this sort of practice. Since the farmer is having so much difficulty with the cost price squeeze I think that instead of frowning on what has happened the government ought to condone it. After all, when speaking in Winnipeg the other day the Prime Minister said that the farmers should do more for themselves. In my riding farmers are doing just that. Some are going to England to buy their tractors and are hoping to get away with it. They hope to make tremendous savings.

The cost of farm machinery is an important factor in farming costs and the government must assure these farmers that no taxes or duties will be imposed on the machinery that is brought into Canada because they are bringing it in on their own initiative. I think the government should allow this practice to be carried on in order that farmers may meet their commitments with regard to farm machinery and the costs of operation. It is tremendously helpful to them when they can go to England to buy tractors at great savings. The government ought to consider that point and not throw any roadblocks in their way. Could the parliamentary secretary give us some idea of what the government is to do in this regard?

Mr. Gray: Mr. Chairman, I think the hon. member has raised a very interesting point. It is my understanding that under our tariff regulations, farm machinery and that includes tractors, has entered duty free. Certainly that law remains the same. Unless the nature of the transaction contravenes the provisions of the laws with respect to dumping or with respect to low cost imports, the practice in my opinion at least would not be stopped by the customs authorities. If the price farmers pay is the price these tractors are ordinarily sold for in England, my understanding is that the transaction does not constitute dumping. Under the proposed law there would have to be not only a determination of dumping by the Department of National Revenue, but a finding of injury to Canadian production as well by the proposed injury tribunal. So, the provisions of the proposed law at least with respect to price would not be sufficient to interfere, in my opinion, with the type of transaction which has been mentioned unless, in the course of proceedings under the proposed law, the injury tribunal also found injury to Canadian production under the terms set forth in it.

Mr. Howe: Mr. Chairman, it is my understanding that practically all the tractors bought in Canada are not made in Canada. Hence I cannot see that there is too much injury to any company in Canada in this regard.

Mr. Gray: I thank the hon. member for making this additional point. That is something which the farmers who are interested in this transaction will no doubt bring to the attention of the customs authorities, if complaints from Canadian manufacturers are brought forward.

Clause agreed to.

On clause 3—*Anti-dumping duty payable.*

Mr. Alexander: Mr. Chairman, I want to take a few moments of the committee's time to speak on this matter. First I wish to congratulate the parliamentary secretary upon the magnificent job he has done in this connection. Of course credit is owing to the distinguished chairman. I intervene at this time, Mr. Chairman, to say that I represent a steel city. It is significant that on September 20

when I made my maiden speech I was concerned with the anti-dumping legislation which would be presented to the committee and I said, as reported on page 289 of *Hansard*:

> It is interesting to note that iron and steel industry sales all across Canada make up approximately 2.7 per cent of the gross national product, therefore being even greater than wheat which is 1.7 per cent.

This clause, which establishes liability for dumping duty, is the most significant clause of the bill because under its provisions any organization or corporation that dumps anything in this country may be found liable. I also wish to point out that industry recognizes that competition on a fair trade basis is customary and challenging. In my speech of September 20 I went on to say:

> However, competition at less than fair market value is disturbing and cannot be considered fair. In fact it may result in irreparable damage to the domestic industry and to the economy. It is suggested that the onus of preventing undue disruption from dumping into the domestic market rests completely on the importing country.

Anti-dumping legislation should be regarded as an extension into the international field of principles expressed nationally by statutes restricting discriminatory or predatory trade practices. Dumping is an unfair trade practice, and I wish to emphasize this point to the parliamentary secretary. It is a lessening of free competition, and sometimes it destroys free competition. Besides being unlawful, dumping in the long run is contrary to the public's interest. Without proper anti-dumping legislation and without prompt, vigorous and efficient application of that legislation, the capitalism of free enterprise will be replaced by the capitalism of international monopolies.

I should like to refer to a brief that was submitted to the authorities by our steel industries, which are vitally concerned about this matter. It is said that the Canadian steel market is particularly vulnerable to imports by reason of its widespread geography, the size of its domestic production compared with that of its near competitors, the world surplus of productive capacity and the marketing practices of certain foreign steel producers. In the brief I have referred to this is said:

> Indeed, there is a real incentive in several countries to maintain full employment by exporting steel at whatever price may be obtained above the labour and material costs of its production: they, in effect, export their unemployment. Therefore, steel is particularly vulnerable to dumping tactics by foreign competitors.

[Mr. Alexander.]

It goes on to say that the Canadian steel industry has a vital concern to see that the legislation will be effective in its application to trade in steel, and in products consuming steel. The latter part is extremely important and I believe was dealt with previously by the hon. member for Wellington South. The brief also says that the rapidity with which both the determination of dumping and the judgment of material injury can be resolved will contribute significantly to the effectiveness of the legislation.

The brief continues to say:

• (8:30 p.m.)

> In our opinion the determination of injury would prove to be an extremely complex problem. The establishment of a tribunal, charged with this serious task, appears and excellent proposal. The absence of a definition of injury indicates appreciation that it is a difficult concept: Each case will require the judgment of the tribunal, and should be judged on its own merits.
>
> The composition of the tribunal should be such as to make possible conclusions based on practical understanding of business conditions and competitive circumstances. Furthermore, it is suggested that the tribunal be comprised of persons with knowledge and experience in those industries most susceptible to dumping.
>
> The steel industry is prepared to make available persons with special or technical knowledge either on a full-time or part-time basis. In addition, the steel industry desires the opportunity to meet regularly with the deputy minister of national revenue for a discussion of world business conditions and the likelihood of dump.

I certainly hope the parliamentary secretary will attach importance to these observations. If people are to be appointed to this tribunal on a partisan basis then the intent of the entire legislation will be defeated. What I am trying to indicate is that concern over the application of this legislation must be continuous because of its importance in terms of our economy. We must give this measure our continuing attention to make sure that the tribunal and the government act with the necessary speed, and that severe penalties are used, when justified, in order to protect our industries at home. Each case must be judged on its own merits, and both the tribunal and the government should constantly refer to and consult with industry. The clause which we are presently considering is, I submit, one of the most important parts of this legislation. I say this with all due respect and I trust the parliamentary secretary will accept my words in the spirit in which they are uttered.

Mr. Thomson (Battleford-Kindersley): I have a question to ask the parliamentary

secretary. It refers to the criteria by which the department will decide whether or not a product has been dumped on the market from the United States. Let me give an example or two. Suppose potatoes are shipped into southern Alberta and sold at the same rate price as in the United States. The farmer who grows potatoes might well receive a bonus or subsidy for doing so, instead of growing wheat, for instance.

The point I am trying to get at is this: What criteria does the department use, or will it use, when reaching decisions on this kind of thing? Take the difficulty which arose in connection with corn imports into Ontario some time ago. How will the department arrive at conclusions in cases like this, when subsidies are paid directly to farmers? In the absence of such subsidies perhaps the price of corn in the United States would be higher. I tried to find the answer to this question in the agriculture committee, as did the hon. member for Saskatoon-Biggar, but we could not get a satisfactory reply.

Mr. Gray: I might suggest, with all due respect to the agriculture committee, that we would have welcomed the hon. member if he had wanted to sit in on meetings of the finance committee where he would have gotten more information than I can give him now. But I will do my best to answer his question.

I believe his problem relates not strictly to dumping, as the word is ordinarily used, but to low-cost imports which cause injury to Canadian production because I noted he referred to goods imported into Canada and sold at the same price as in the United States. In such cases action taken to protect the Canadian producer would have to be taken under the proposed clause 7 which is before us. This replaces the present section 40A of the Customs Tariff Act. If it is passed by this house it would provide for the taking of emergency action as contemplated by article 19 of the GATT, and which could lead to the application of a surtax on the imported potatoes.

If it were determined that such subsidies were being paid to the United States producer in the manner contemplated by certain sections of the GATT, the way could be left open for the Canadian government to apply countervailing duties to offset the effect of these subsidies. This is a difficult subject to discuss in a general way; it is easier when we are looking at specific cases. But I hope that at least in general I have dealt with the hon. member's question.

Mr. Thomson (Battleford-Kindersley): Not entirely. I am interested to know the criteria to be used. If this would lead to too involved a discussion here I would be glad to hear the hon. gentleman's private comments at another time. On what basis will it be decided whether there is dumping or not? From my own point of view I would find it difficult to decide what would be fair and reasonable, in the light of the different subsidies given to United States farmers, subsidies which are not made available in Canada.

Mr. Gray: First, let me say that the situation outlined by the hon. member is not what is commonly known as dumping. It would not come directly under the provisions of that portion of the bill which is before us, setting up new Canadian legislation on dumping. It would come under the concluding portions of the act, the consequential sections, particularly those which create the new section 7 in the Customs Act to replace section 40A which previously permitted the fixing of a special value for duty.

This section deals with goods imported into Canada in such a way as to cause injury to Canadian production, even if they were sold at a price which is not below the price in the United States. I wanted to clarify the legislative provision which would be invoked to deal with the problem the hon. member has mentioned. I can understand his concern about it.

With respect to the criteria to be applied, the simplest thing I can say is that the government would have to consider all the circumstances of each case; it would have to consider such things as the method by which the subsidies were applied and their amount, as well as the market situation both in Canada and the United States. This is why neither the existing legislation nor the proposed legislation attempts to spell out a long list of criteria; it was considered advisable to enable the government to look into all these factors taking into account all kinds of circumstances which might not be foreseeable at the time the legislation was provided. I would be happy to arrange meetings between the hon. member and officials of the Department of Finance, or National Revenue, to look into this question. I know they would be happy to sit down with him and go into this important question in somewhat greater detail, perhaps looking at it from the standpoint of specific

cases and giving more complete information than would be possible for me to give in a discussion of this type.

Mr. Thomson (Battleford-Kindersley): I should like to accept the hon. gentleman's offer.

Mr. Rynard: I come from an area in which there are many small industries. Compared with the great corporations to the south, their output is limited. In my opinion there is therefore no question as to the need for this legislation.

It is interesting to recall that in 1961 a Conservative government brought in a bill to deal with goods of a class or kind made in Canada that should be subjected to dumping duties. You will remember, Mr. Chairman, that it was defeated by the Liberal party of that time.

• (8:40 p.m.)

My only objection to this clause is that, in so far as dumping from the United States is concerned, it is not tough enough. My fear is that the legislation does not go far enough to accord sufficient protection to Canadian industry. Let us face the fact that, situated as we are, directly within the economic orbit of the United States the greatest manufacturing complex in the world, Canada is a natural target for dumping policies of the United States. In a number of major industrial lines Canada over the years, particularly under the policies followed by this government, has simply become a dumping ground for surplus American products. The result is that although politically we are no longer a colony, we have been subjected to economic exploitation in a manner that few other countries have experienced.

Last summer we witnessed wholesale dumping of agricultural products, corn, poultry and others, from the United States, with no action by the government. In textiles we have been subjected to subsidized dumping from the United States and Japan. In footwear we have been subjected to dumping from all over the world. The result is that Canadian industries have gone out of business and we have become a nation importing finished products while forcing more and more of our enterprise into primary industry. No nation can go on doing this for very long.

We have been in the position of living off our principal, and using our resources to buy the things we need, rather than manufacturing those things here in Canada at a cheaper price. Resources do not last forever and in a few years Canada, instead of being a resource rich nation, will be a resource poor nation in many fields. The point I wish to make is that continued toleration of large scale dumping of surplus industrial and manufactured products, as well as agricultural products, will make future generations of Canadians hewers of wood and drawers of water.

Canada has been in the position of an open city, or open country. We have practised the open door policy in so far as foreign goods are concerned. A few years ago we made some effort, by arriving at mutual understandings with countries such as Japan and the United States, to limit the amount of foreign dumping in order that native Canadian industries would not be smothered under an avalanche of cheap goods coming in from other countries. Now with the Kennedy round agreements, the situation is likely to be worse than ever.

This anti-dumping measure is a reluctant recognition by the government that some action must be taken to protect Canadian industry. It is interesting that this measure should be brought in by a party which over the years has proclaimed itself all out for free trade. But nevertheless one cannot help wondering how much protection is afforded the Canadian producer by this bill. As I have said before, it does not go far enough. It is simply paying lip service to the need of preventing Canadian industry from being overrun by dumping from abroad.

The record of the government in international affairs is not reassuring. The Liberal party has a long record of placing international relations above the interests of the Canadian producer. We know how the Kennedy round discussions became an instrument for delaying the signing of a new grains agreement and how Canadian wheat producers suffered by being undercut in the interim. We have been told that Canadian industry will not suffer. Obviously this clause is an attempt to lock the garage door after the automobile has been stolen—and an American automobile at that, Mr. Chairman.

What we now have, obviously, is a tribunal, a sort of court of last resort to which the Canadian producer, when he is on the verge of bankruptcy as a result of having his market undercut, can appeal for some kind of action. Knowing how most of these tribunals work, it is highly unlikely that action will be forthcoming before the producer is compelled to close his doors.

There is another point that must be made in connection with this whole question. It is not merely anti-dumping legislation that is required. There are many cases of Canadian products being designed, developed and manufactured in Canada, and even a market created for them in Canada and sometimes the United States, and then American corporations with their superior financing, large run economies and larger markets at home have moved deliberately into the market created by a Canadian firm and, over a period of time, have simply collared that market for themselves. This is not an exception, Mr. Chairman; it is almost the rule.

This is not done by dumping within the terms of this legislation. It is done simply by making use of the economies of production available to American producers in the American market. The dumping comes later when the Canadian product has been eliminated. At that point the American manufacturer can simply dump his surplus product in Canada, taking over the market created in Canada by a Canadian producer whom the American has either bought out or pushed out. I fail to see any way in which this clause protects Canadian producers against this kind of monopolistic competition. Yet in my opinion this is the most common kind of unfair competition facing Canadian manufacturers of finished articles, the competition from gigantic American competitors who move in, once a Canadian firm has created a market and, either through the parent U.S. corporation or through setting up a Canadian subsidiary, simply take over the market.

Anti-dumping provisions therefore do not prevent the cannibalization of Canadian industry by gigantic American or other foreign competitors, for the simple reason that under the unrealistic definition of dumping there is no dumping until or unless: "the normal value of the goods exceeds the export price." Under the definition of normal value it is only considered to be dumping when a product is sold in Canada at a price lower than the price at which it is sold in the United States. But, Mr. Chairman, it can be just as harmful to Canadian industry when the product is sold at the same price as the price at which it is sold in the United States, because very often the greater volume of American production permits huge economies in production. But that situation is not taken into account in this bill, so far as I can see.

The fact that the goods must be sold below the domestic price in the Canadian market means that a great number of goods which can be sold cheaply and made cheaply in United States or Japan can come into Canada. This applies to Czechoslovakia, East Germany and other European and Iron Curtain countries which can send their products here at exactly the same price at which they are sold in those countries and, because of currency differences and production economies, undercut Canadian manufacturers to a considerable degree.

This is why I said this bill does not answer to any great degree the problem of Canadian manufacturers being undercut by unfair competition from other countries. They would not fall under the dumping definition. This is where the clause falls short. Within a short time the government will be facing a serious situation in the form of complaints from producers all over Canada.

• (8:50 p.m.)

I shall give just one other example, Mr. Chairman, and I do not know whether it has been touched on or not. As we know, our seasons in the north range from winter into the spring, and then into summer, so that quite often goods on sale in the country to the south of us have reached their peak market before they come into the Canadian market. Therefore the producers of those goods can afford to sell them here below their actual cost. They can lower their prices because they have already sold 75 per cent, 80 per cent or 90 per cent of their production. Not only that, but the output of one U.S. firm on occasion equals the total production of all Canadian manufacturers of a particular article. One can cite instances where one big corporation in the United States can manufacture more goods and dump more into Canada than the total annual production of Canadian manufacturers. This is of great concern to me. Once those are in the suppliers' hands how can this law be enforced? Therefore, that is the reason I do not think this bill and this clause will accomplish what they are intended to accomplish.

[*Translation*]

Mr. Caouette: Mr. Chairman, I should like to say just a few words on the anti-dumping legislation. The objectives of the bill are certainly to encourage Canadian manufacturers and to protect them against the entry into Canada of goods similar to those manufactured in Canada but at much lower prices.

However, this bill, which is intended to protect Canadian manufacturers, says nothing

about consumers and their needs in view of the present economic situation of Canadian or foreign manufacturers.

Anti-dumping is being practised not only between the Japanese and the Americans or other countries in the world, but even within our own country, between one town and another, for example. Obvious examples of this are to be found in the trade between Ottawa and Hull, two adjoining towns which are practically one. However, Ottawa people buy in Hull and Hull people buy in Ottawa because of tax differences between Quebec and Ontario; that constitutes dumping. In fact, Hull people come to buy in Ottawa because prices are lower. The consumer cannot be blamed for seeking lower prices. If, for example, a consumer can buy rubber shoes made in Japan at half the price of the corresponding Canadian-made product, one cannot blame him.

Instead of passing anti-dumping legislation designed to keep prices high, the government should introduce a bill to subsidize Canadian industry, in order to compete with the prices of goods dumped by other countries on the Canadian market and to protect the Canadian consumer. This is not what we are doing. Dumping is not practised only in Canada, because we do it ourselves in other countries.

For instance, Mr. Chairman, it is impossible to find out how much we are paid for the wheat we are selling to Red China. This is then a case of dumping when subsidies cover about one half the normal price of wheat. We are selling our wheat to China at a much lower price than production cost. This is dumping practised by Canada towards other countries.

At one time, we were blaming the United States for selling their wheat to Russia at better prices than ours. American economists and the American government were asked to keep in line with our prices.

The problem will remain the same, Mr. Chairman. This will not increase the purchasing power of our consumers by one red cent. Even with the adoption of this bill, our people will not be in a position to buy more. Perhaps some products will not be admitted to Canada or the government will be able to levy import duties so that these products will reach approximately the price levels of Canadian products, but the purchasing power will not in turn be stimulated; the reverse will be true. I think this is a direct infringement—

[Mr. Caouette.]

[*English*]

Mr. Gleave: Mr. Chairman, would the hon. member permit a question?

Mr. Caouette: Yes.

Mr. Gleave: What subsidies on Canadian wheat being sold to China are you referring to? Or did I misunderstand the question; was the translation imperfect?

[*Translation*]

Mr. Caouette: Here is the situation, Mr. Chairman. We are selling our wheat to China at less than prime cost, than cost price, and it is impossible to find out from the minister what prices we are being paid for the wheat we sell to China.

[*English*]

Mr. Gleave: Mr. Chairman, if I may be permitted to interrupt the hon. gentleman I should like to correct one impression. The wheat we sell to China is sold at competitive prices.

The Deputy Chairman: Order. The hon. member for Temiscamingue.

[*Translation*]

Mr. Caouette: It is sold at a competitive price when we ask the United States to protect us to get the price we want because they were already selling wheat for less than we were and they increased their price to enable Canadians to sell their wheat. That is what happened not so long ago—in fact barely three years ago—but I hold my ground and I maintain that we are selling our wheat to the Chinese or the Russians for less than it is costing us to grow it here. Each time we traded with those countries we had to sell our products at lower prices and that represents Canadian dumping in those foreign countries to which we sell wheat.

Mr. Chairman, I am not against our selling wheat and our being competitive but I object to our selling our products below cost because we have a surplus. However, Canada acts towards the other countries as they do towards us. That is what I mean when I say that this will not help the consumer. It may help the producer, true. It may please the manufacturers of textile products, of rubber, or any other goods.

We want to protect our industry and I suggest this way of doing it. Instead of dumping in other countries, let us give our Canadian manufacturers subsidies to enable them to

reduce their prices and sell their goods to the Canadian consumers.

• (9:00 p.m.)

Then production would achieve its end which is to meet the needs of the consumer. That is the solution of the Ralliement créditiste. It is not a far-fetched solution because any intelligent person can understand it.

On the one hand, we dub as unfriendly those countries which sell their goods at extremely low prices; on the other hand, we try to export our goods to those same countries.

We want to help the Canadian people, not only the manufacturer. Canadian manufacturers export and receive subsidies to do so. If it can be done for exports, why can it not be done for consumption here in Canada? Would it be asking for the moon? These subsidies would allow prices to be lowered, and this, in turn, would increase the purchasing power of consumers. It is as simple as that.

However, instead of looking at the economic situation from the point of view of the consumers or of their interests, the government is only concerned about the production angle. Mr. Chairman, the problem is not one of production, but of prices. Actually, production is very healthy. It can be doubled or tripled so long as there is a corresponding demand. The real problem is one of distribution and of consumption of goods manufactured in Canada and outside the country.

We will always have to deal with other countries. We will have to exchange Canadian wood, for fruit from Florida, for example, or wheat against Chinese products. Transactions will always have to continue and even improve.

However, that must always be done in the interests of the consumers and not only for the pleasure of enriching a few persons, such as importers or exporters, and still less financiers who strangle the working people, the farmer as well as the worker. We are not at all interested in protecting and enriching those people. Those who will read *Hansard* to-morrow, will know that the Ralliement Créditiste is not interested in those who want to make profits out of anti-dumping laws, but in protecting the Canadian citizen.

Those, Mr. Chairman, are the few remarks that I wanted to make tonight. The government owes it to the Canadian people to consider the consumption aspect of our economy and our transactions with other countries. Let us grant to our Canadian people the same subsidies which we give other countries so that they may come and buy here. Instead of taxing and over-taxing the Canadian people in all sorts of ways, let us help them, and the problem will be solved.

We can effectively lower the cost of consumption or production through subsidies; then, we shall become better competitors in the international market and we shall be able to face dumping, as we call it. There would be no need to pass anti-dumping legislation if we were to guarantee every Canadian citizen a purchasing power which would make it possible for him to purchase Japanese, Chinese or Canadian products. In fact, this is the only way we can protect our Canadian industry by granting subsidies so that our people may face international competition.

[*English*]

Mr. Gleave: Mr. Chairman, I wanted to rise a short while ago to ask some questions of the responsible minister. Now I am on my feet I would also like to refer to some remarks made by the previous speaker, whom I hope I understood correctly. With regard to dumping wheat in China or any other market, this charge should not be brought, and if it is brought, it cannot be substantiated. The wheat that Canadians sell overseas through the Canadian Wheat Board is sold at international prices, without the benefit of subsidy, and I would like to quote some figures to substantiate my point. I am sorry I am speaking only from memory in this regard, but in the area of Vulcan, Alberta, the figure arrived at as the result of a cost study was $1.70, or $1.76 a bushel. This is the cost of production in that area of Alberta, which is one of our good wheat producing areas, comparable to some of the better areas in Saskatchewan or Manitoba in what might be called the dry country.

If you take the export figure at which wheat has been sold, ranging from $1.96 to $2.12, and the difference in the cost of transportation, and so on, you will find it compares with that figure. I would not like the committee to be under the impression that this is a subsidized price for exports. It is not. If you take the cost of transportation and the cost of marketing, you will find that at this figure you are coming very close to the Vulcan figure of cost production.

As the hon. member for Regina-Lake Centre has just said to me, the figures I am quoting are for grades 1, 2 and 3 wheat. If it happens to be low grade wheat, you will be very much in the hole.

Having said that, Mr. Chairman, I come to the question I wanted to direct to the parliamentary secretary. It arises out of the answer given by him to the hon. member for Battleford-Kindersley. I hope I understood his answer correctly. Do I understand him to say that the anti-dumping provisions can apply fairly effectively to manufactured goods and manufactured imports, but they may not apply very effectively to agricultural imports, and when you get into the agricultural field you may be using a surcharge or value for duty? Did I receive the correct impression, sir?

Mr. Gray: Mr. Chairman, I do not think that was the impression I intended to convey. The proposed anti-dumping law does not make any distinction with respect to the type of goods which can create the complaint of dumping. I was attempting to get across to the committee that the nature of the problem with respect to agricultural imports very often took a somewhat different form from that of imports of manufactured goods. In my remarks with respect to dumping I hope I was not creating any impression, because that was not my intention, which would indicate that the proposed anti-dumping law made some distinction between agricultural products and manufactured products. It does not.

As I said in response to questions asked by hon. members, if you examine the complaints about imports of agricultural products, in many cases—I do not know whether I should say most—the problem does not fall under the definition of dumping as that term is used in the law of international trade. Rather it would fall under the heading, shall I say, of low cost imports causing injury to Canadian production, because it cannot be demonstrated that these agricultural products are being sold in Canada at a price lower than they are available for sale in the country of export. Therefore a different legislative provision has to be made use of, and the legislative provision in the proposed bill, if it is adopted by this house as I hope it will be, calls for the application of a surtax. The proposed section is based on article 19 of the GATT which contemplates this type of problem facing the various trading nations.

Mr. Gleave: Mr. Chairman, am I to understand from that answer that agriculture is to get the worst of both worlds? Is agriculture not to benefit from the protection of anti-dumping duties? Does it mean that the part of agriculture that is vulnerable to imports will not receive the protection of anti-dumping duties? Does it also mean that that part of agriculture which depends on export markets for trade will face the additional cost of production as a result of the protection of the manufacturing industry?

• (9:10 p.m.)

Mr. Gray: I certainly would not agree with the hon. member that under these provisions agriculture would get the worst of both worlds. On the contrary, if the importation of agricultural products falls within the provisions of the proposed anti-dumping law, then anti-dumping duties will apply. If the importation of the agricultural products in question falls within the definition contemplated by the proposed clause 7(a) of the Customs Act, then they will get the protection made available by the proposed clause. Any distinctions are not with respect to the type of goods but with respect to the nature of the transaction.

Mr. Gleave: Then, according to the hon. member's explanation, would this protection under the surtax be effective with regard to the importation of U.S. corn and vegetables and would it be effective with regard to the importation of Russian sunflower oil?

Mr. Gray: If the importations referred to are of the type that caused concern a few months ago with respect to corn imports into Ontario and which led to value for duty action being taken under the existing section 40(a) of the customs tariff, then the proposed clause 7, which the hon. member has mentioned with respect to the application of a surcharge, would apply in the same way. The proposed clause 7 is designed to replace the existing section 40(a) of the Customs Act, which permits the creation of arbitrary values for duty. The new clause is being proposed to the house because it is felt that the wording of the proposed clause will make clearer than the existing section 40(a) the nature of the action being taken, and the fact that it is not anti-dumping action but rather special emergency action. As a result this action would be linked more closely with article 19 of the GATT, which attempts to deal with this type of problem for the trading nations which are signatories to it.

Mr. Gleave: As was mentioned in the committee a few minutes ago, steel is a fairly standard product with a fairly standard grade which can be measured. How will this provision apply with regard to potatoes coming

into Alberta and undercutting the Alberta market, these potatoes being of stripper grade? This particular situation was reported a year ago by a responsible Alberta publication, *The Wheat Pool Budget*. How do the provisions under this legislation apply in the agricultural field? Do they apply in the same way as they do in the industrial field?

Mr. Gray: My answer is yes, Mr. Chairman.

Mr. Thomson (Battleford-Kindersley): I have been looking through this bill and I do not see anything which would state what puts this legislation into force. So far as corn is concerned, I do not know what representations have been made to the previous government, but so far as I am aware and so far as the public is aware it was the tractor march to Ottawa that drew the attention of this government to the particular problem.

Some hon. Members: Oh, oh.

Mr. Thomson (Battleford-Kindersley): I am not saying that this is the case, but I would like to know where in this bill it is stated that the legislation would be put into effect. Does there have to be a tractor march, do there have to be lobbies, and must pressure be put on the minister in this case? What is the approach to be?

Mr. Gray: If the hon. member is referring to the procedure under the proposed anti-dumping act, I would refer him to clause 13. I am not sure if this is in order, but perhaps to expedite the business of the house we might do that. Clause 13 reads:

> The deputy minister shall forthwith cause an investigation to be initiated respecting the dumping of any goods, on his own initiative or on receipt of a complaint in writing by or on behalf of producers in Canada of like goods.

So this creates a pretty wide ambit.

If the hon. member is speaking of the proposed section 7 of the Customs Act, which is dealt with in clause 37 of the bill before us, then I would think that, in view of the fact that a somewhat different procedure is contemplated under that clause, the governor in council should be willing to initiate an investigation on the receipt of a complaint from any one of a great number of sources, and the hon. member has outlined a number of possible sources of complaint.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I should like to pursue this matter further. Can anyone write an application on behalf of himself, a group or a company? For example, can I as a member of parliament write an application and would such a complaint be investigated?

Mr. Gray: I certainly think that would be the case, particularly with respect to clause 37 which proposes that section 7 be added to the Customs Act.

Mr. Bigg: Mr. Chairman, I think that the idea of this bill is a very good one, but I am a little afraid that we may go on a kind of witch hunting expedition here which may hurt many of our industries, if we pursue this along the wrong lines. I suggest that in order that this legislation be effective there must be a close liaison among the different departments of the government. What is good for the agricultural industry may backfire in other industries, or even in different regional parts of Canada. For instance, if we decide arbitrarily that the selling of U.S. corn in eastern Canada should be stopped, we have to be careful that reciprocal action is not taken by the United States, which will cut down on the importation of coarse grains and fodder from Canada into the northwestern United States.

We are living in times of change. At one time perhaps it was safe to generalize and to say that western Canada was a free trade area. This may well be so when we are trying to sell our wheat, but when we are confronted with the problem of selling our oil, particularly in Alberta and now in the Arctic, we are up against a different thing. Free trade in oil would ruin the oil industry of Alberta at the present time. Before we suggest that the United States is dumping Venezuelan oil in Canada, we have to remember that we have to protect our large oil market in the northwestern United States. At the present time we have a gentleman's agreement with the United States according to which they will sell Venezuelan oil in Montreal, and we will be able to ship our oil through our pipe lines into Seattle.

So we have to be careful that we are neither regional nor blind in this matter. As I said, a closer liaison will be necessary among the agriculture, industry, trade and commerce and the revenue departments to make sure that what we mean to do does not backfire. I think that the stress should be put on reciprocal agreements, and perhaps we should use this legislation very sparingly and only use it as a final stick. But if we plan properly and if we ensure a closer liaison between the different departments, I do not think that this dumping legislation will have to be put into effect very often. As has been pointed out by

several hon. members tonight, when we are ready to invoke this act, often it is too late, and if we used a little more foresight in our reciprocal agreements, whether it be in agriculture, in industry or in trade and commerce, the need for this would be forestalled.

• (9:20 p.m.)

If we had a proper world grain agreement, and if we had solidified Canada's trading position in this field, then I do not believe we would have to worry so much about the dumping of corn in eastern Canada or about not having any sales for fodder and coarse grains from western Canada. We should have a viable economy which would draw together all of our industries, agriculture, our manufacturing industry and primary producing industries such as oil.

What I would envisage would be this: If we are going to be faced with the dumping of oil on our Canadian market, I think the people from our industry could build a pipe line system across Canada so that our Department of Industry, Trade and Commerce would be able to forestall the dumping of United States oil on our markets. They would be able to offer United States interests cheap Canadian facilities, and we would at least then have our fair share of oil moving through this pipe line. This is the kind of planning we need. As I say, I feel this is a necessary piece of legislation but it should only be a stop-gap; it should only be emergency legislation. We should forestall any need for invoking this measure by careful planning and by good reciprocal agreements, particularly with the United States which is our greatest competitor in the manufacturing field, in the oil field and in some cases even in agriculture.

Let us not forget that the United States is also our best customer in all these fields. We are only now becoming an aggressive young manufacturing nation. However, we still have a tremendous stake in agriculture. Western Canada has perhaps a half agricultural and half industrial economy, but the agricultural half still has to be protected. I do not want to see Canada going off half-cocked barring corn entering Ontario, because then the United States could say, "All right, no more beef can be shipped into Montana and no more hay into the Dakotas in the dry season."

I should like to see a great deal more liaison between our government departments, so that by careful planning and co-operation with our own primary producers or through making reciprocal agreements, particularly with the United States, we could forestall the need for dumping legislation. We are in a good bargaining position. The United States wants our friendship and co-operation and in some cases they want our cheap oil, our better beef and our competitive grain. However, we have to be willing to make reasonable concessions in return.

If we planned our turkey imports on a quota basis, there would be no need to flood our markets at Thanksgiving or Christmas with cheap turkeys from the United States. This ruins our small producers. As one or two other members have said, it is too late to lock the door after the horse is out of the barn. After our turkey producers have been put out of business, then United States producers are in a position to recoup all their so-called losses by jacking up the prices, in co-operation with the chain stores. In this way they recover the money they were presumably risking by giving us cheap turkeys for one year. We find ourselves in a position where our own producers are out of business, and we have to pay the price.

Clause agreed to.

Clauses 4 to 8 inclusive agreed to.

On clause 9—*Determination of normal value of goods.*

Mr. Harkness: I have one question on clause 9, subclause (7), dealing with the determination of normal value when there is an export monopoly or, in other words, where state trading exists. The clause reads, in part:

> (a) the government of that country has a monopoly or substantial monopoly of its export trade, or
>
> (b) domestic prices are substantially determined by the government of that country,
>
> shall be determined in such manner as the minister prescribes.

What are the criteria envisaged here for making this determination? Is the criteria the normal price that such goods are imported into Canada from other countries or are sold here? Perhaps I might put it this way. What is the general practice at the present time so far as goods from state trading countries are concerned?

Mr. Gray: I believe, Mr. Chairman, that the purpose of the section is to provide authority for the continued use of prices prevailing in trading countries with free economies as the basis of determining the normal value in respect of goods imported from state trading countries. This could involve a number of different options. I suppose this could involve

the price at which a state or company sells goods in an adjacent free market country; it could involve the price at which like goods are imported into Canada from free market countries which are adjacent to the state trading countries. I believe I have outlined the major methods. It provides flexibility for dealing with any problem which might be created by the nature of the organization of the economy of the state trading country.

Mr. Harkness: I would merely suggest that to use the price at which goods from the state trading country are exported to some third country would be a very poor criteria to use in determining the price of those goods so far as dumping is concerned in Canada. Some of the other criteria mentioned would be more reasonable. I would hope that what would be used would be the price of like goods which are being imported into Canada from other countries, or what the general level of those goods was at the point of manufacture in Canada itself.

Mr. Gray: Well, Mr. Chairman, perhaps I should clarify my remarks. I mentioned two possible methods. Certainly, one can understand the problem created by the method to which the hon. member referred. I am informed that the method most commonly used is to look at the price at which like goods are sold in a free or open economy. This would ordinarily be some free economy in the general area of the state trading country in question.

Clause agreed to.

On clause 10—*Determination of export price of goods.*

Mr. Gleave: I am sorry, but in so far as a free or open economy is concerned, how do you define this in relation to agricultural products which are subsidized in the country of origin? How do you arrive at the figure which is to be established in the country of origin? For instance, if a corn producer in the United States takes so many acres out of production, he gets a certain price per bushel. If he takes so many more acres out of production, he gets another price. How do you say this is a free or open economy, and how do you establish the price in the country of origin?

• (9:30 p.m.)

Mr. Gray: Mr. Chairman, I was attempting to answer the question posed by the hon. member for Calgary North with reference to the very difficult problem of establishing normal value for goods exported from countries with state trading economies. I am not sure if the hon. member who has just spoken was thinking of a similar situation; perhaps he might prefer to use the term "comparatively open" since it is recognized that there are various forms of government intervention in most countries with respect to various aspects of the economy.

I think I indicated earlier in our discussion that, with respect to determination of normal value, both the bill and the draft regulations, the key parts of which were tabled before the committee, make it possible to take into account, if I am not mistaken, such things as subsidies which help to make up the price in the country of origin.

Clause agreed to.

On clause 11—*Where information not available.*

Mr. Hales: Mr. Chairman, this is the clause that gives to the deputy minister the right to demand in such manner as he may prescribe such information as he may wish to acquire with respect to the determination of normal value. I wish to ask if our constitution is such that the deputy minister of a federal department can demand from the chairman, say, of a hydroelectric power commission of any province, the price at which the commission accepted a tender. Can he demand that information?

Mr. Gray: Mr. Chairman, I am not sure if it is permissible for people carrying out the function I am presently carrying out to attempt to give legal opinions on complicated constitutional questions. I know the hon. member who normally sits adjacent to the seat I am temporarily occupying hesitates to give opinions on constitutional matters and his expertise in law is far beyond any that I can hope to attain. Perhaps I should also hesitate before becoming involved in such an area; but, I presume that the deputy minister could ask questions and seek information; if he is not satisfied with the answer there are other clauses which enable him to come to a decision, even though answers to his questions are not provided by the people he contacts. In other words, the scheme of the act contemplates that the making of decisions with respect to dumping will not be frustrated through a failure to provide information.

Mr. Hales: Thank you. I asked that question because in the provinces it is the public

utilities that generally make purchases of heavy electrical appliances. When they place orders offshore it is very hard to establish whether there is dumping. That is what prompted my question. I hope that the deputy minister has the right to demand from the public utilities in the various provinces the figures at which they accepted tenders.

Mr. Gray: Mr. Chairman, it is my understanding that this clause is designed to provide authority for the deputy minister of national revenue. I believe we are talking of clause 11. It provides the prescribed manner to be used in determining the normal value or export price where sufficient information has not been furnished or is not available. I am also informed that this residual authority is similar to that provided under section 40 of the Customs Act. It is also my understanding of the scheme of the act, that the way the Department of National Revenue will encourage people to give it the information it wants is by virtue of the authority it has under this clause to come to a decision on whatever limited information is available to it. Therefore the people who are not providing the required information may feel that the result will be more adverse to them than if they were to comply with the request of the deputy minister.

Mr. Lambert (Edmonton West): Mr. Chairman, this is the very point I referred to at the resolution stage. There was a good deal of discussion about it during the committee hearings and I do not know what the ultimate answer is. We took the question under advisement when making our report. It seems to me that if the deputy minister of national revenue is kept aware, either on a regional basis or some other way, that public utilities have been placing orders offshore, some inquiry from him to that public utility body would very likely elicit co-operation, because I think these public utility commissions will realize that perhaps 18 months or two years afterwards, when they receive the goods they have ordered, they may be hit with anti-dumping duty. Or, they may be hit when the deputy minister of national revenue has sufficient information on the matter. I think it is a question of establishing a useful rapport with such bodies, and I think experience will bear this out.

I share the concern of my colleague, and I think we all did on the committee. I do not know whether the anti-dumping machinery was made as effective as it might have been, but we shall have to see. Nevertheless, if the Department of National Revenue is able to elicit answers by using, shall we say, voluntary machinery, it may be better to do it that way than to force information out of these bodies by wielding a big stick.

Mr. Gray: Perhaps I can add to the very useful comments of the hon. member for Edmonton Centre. Under our constitution provincial governments claim to have a certain jurisdiction over the development of industry in the economy.

Mr. Paproski: On a point of order, Mr. Chairman. I think the parliamentary secretary is talking about the hon. member for Edmonton West. I represent Edmonton Centre.

Mr. Gray: I apologize to the hon. member for Edmonton Centre. Clearly, we have two most distinguished members from the Edmonton area.

I was going to say that provincial governments under our constitution claim jurisdiction to encourage the development of the economy and the expansion of industry. One hopes that the comments of the hon. member for Edmonton West and of other hon. members of the committee will be brought to the attention of the appropriate bodies through the coverage given these proceedings, and that when we review the results of the operation of this proposed legislation in a year or so we may find, hopefully, that the problem is not what it may seem to be at the present time.

Clause agreed to.

Clause 12 agreed to.

• (9:40 p.m.)

On clause 13—*Initiation of investigation.*

Mr. Benjamin: We read in clause 13 that the deputy minister may cause an investigation with respect to the dumping clause to be initiated, if he is of the opinion, and so on. Does this mean that the deputy minister may decide, on his own, that there is cause for investigation, without reference to the tribunal?

Mr. Gray: Yes, that is right, Mr. Chairman.

Mr. Hales: I rise to comment favourably on what I think to be one of the finest features of this whole bill. This clause contains the phrase "or is materially retarding the establishment or production in Canada of light industries". I take it this means that if there

is a company, or a group of men, willing to make like goods of a kind which are now being dumped in Canada, the department or the deputy minister can rule that there is dumping because it is retarding the establishment of industry. I believe this to be a substantial improvement. It should pave the way for young, new and growing companies to establish themselves in Canada.

Mr. Gray: I should like to thank the hon. member for drawing this to the attention of the committee. He has mentioned a significant addition to our laws against dumping.

I might add that under our existing law, before dumping duty could be applied it was necessary to show that Canadian goods which were considered to be adversely affected by the imported goods were of the same class or kind, and this had been stated to mean that they had to supply 10 per cent of Canadian consumption. Thus, companies in situations of the kind referred to by the hon. member were unable to receive the protection of anti-dumping duties.

Mr. Bigg: I wonder whether this measure envisages protection against the reverse of dumping. For example, I understand that fertilizer manufactured in Saskatchewan is sold in North Dakota and Montana for one third less than the price in Saskatchewan itself. This seems to me like dumping on the United States market, or unfair competition. Incidentally, it is to the detriment of western agriculture. I think this legislation could very well be abused. We are giving overmuch protection in some cases to distributers of fertilizer here. They should make sure that the Canadian farmer is protected. In any case, I believe he should be protected against tariff concessions in reverse. We are dumping our fertilizer in the United States and presumably they are in competition with us when it comes to selling agricultural products. Is anything contemplated to prevent this? If we are dumping on the United States market it will surely be difficult to prevent them dumping on our market.

Mr. Gray: The hon. member has raised an interesting point. It would appear, though, that until now the United States authorities have been more than able to take care of themselves and since they are changing their own anti-dumping legislation to conform with the requirements of the anti-dumping code I presume they will be in a position similar to our own and able to take action, should exporters from Canada or elsewhere dump goods into the United States.

Mr. Bigg: When I spoke of liaison earlier on I was suggesting we would be in a good position to prevent occurrences of this sort if we were to meet with representatives of the United States or of other trading nations and conclude a gentlemen's agreement under which we would refrain from dumping, on our part, and they would undertake to reciprocate. We might keep this in mind when dealing with other trading nations.

Mr. Benjamin: I am still a little confused—but perhaps that is normal for me—as to the procedure under clause 13. If the deputy minister were to decide there is a case for investigation and if the tribunal did not take this attitude, supposing a complaint had also been filed with the tribunal, what would be the situation?

Mr. Gray: I should make it clear that the tribunal does not deal with the whole area covered by the proposed law. There are two aspects. There is the determination whether the normal price is higher than the export price, and therefore whether there is a margin of dumping. Second, there is the question whether this dumping is causing injury to Canadian production.

It is the job of the tribunal to make a determination on the question of injury. It is essentially the job of the deputy minister and the departmental officials to carry out investigations and reach conclusions with respect to the question of dumping and the subsidiary factors which have to be considered in order to reach such decisions.

Mr. Benjamin: I take it then that the government feels there can be dumping without injury.

Mr. Gray: That is the concept contemplated by the General Agreement on Tariffs and Trade, and the anti-dumping code based on it and as part of the Kennedy round agreement. This concept is reflected in the legislation which we are considering this evening.

Clause agreed to.

Clauses 14 to 18 inclusive agreed to.

On clause 19—*Appeal to the Tariff Board.*

Mr. Lambert (Edmonton West): I am taking no one by surprise when I rise to speak on this clause. I made strong representations about it in the committee and I have made

strong representations by way of correspondence to the Assistant Deputy Minister of Finance with regard to it. I find it absolutely unacceptable and I believe many hon. members on the committee shared my concern about this provision, that the period for appeal to the Tariff Board should start from 60 days after a decision has been made.

Nothing is said here about publication; the phrase is simply "after a decision has been made". It is true that decisions made by the tribunal and the deputy minister are to be published. But the period for appeal to the Tariff Board is 60 days after a decision has been made. This requirement is said to be imported from other acts—I am thinking of the Immigration Appeal Board Act, the Customs Act, and so on—and I feel it has been made from the comfortable pews of Toronto, Montreal and Ottawa. When we consider Vancouver, Edmonton, Halifax and other regions we are bound to conclude they are placed at a disadvantage when dealing with the deputy minister of national revenue and the anti-dumping tribunal. Moreover, the description of postal services which is about to come into effect, thanks to the generosity of the Postmaster General, will further prejudice those areas.

I have asked why we cannot adopt some other means of fixing the date for the period of appeal. It was suggested to me that administratively this might be difficult. I am not making any direct reference to Mr. Grey, the assistant deputy minister, but I should like to read what he said to me.

> If it were, in fact, possible to word the section in such a way that anyone who wished to appeal would have 60 days in which to do so, the provisions under which an appeal might be made to the Tariff Board ... would be at variance with the appeal provisions now in the Customs Act.
>
> We concluded that, on balance, it would be best to retain the proposed wording. It is in keeping with the wording of the notice of appeal provision under the Customs Act and it is familiar to those interested in decisions of the deputy minister of national revenue.

• (9:50 p.m.)

> We believe that it would be more appropriate to consider a reform of this provision at the same time as consideration might be given to amending the provisions of the Customs Act. You will appreciate, I am sure, that to elaborate the present procedure for filing notices of appeal would require substantial change in administrative practices.

Frankly, Mr. Chairman, I don't care a fig for administrative practices, because in my mind if they work an injustice on anyone

[Mr. Lambert (Edmonton West).]

with regard to the period of appeal, one citizen as against another, then the administrative practices will have to go by the board. For that reason I am proposing the following amendment:

> That clause 19(1) be amended by deleting all the words after "the" in line 31 and by adding the words "date of the publication of the decision in the *Canada Gazette*."

I am further reinforced in my argument that the period of appeal should date from the publication in the *Canada Gazette* because under section 19(2) it says:

> Notice of the hearing of an appeal under subsection (1) shall be published in the *Canada Gazette* at least 21 days prior to the day of the hearing—

If the publication of the notice of appeal is to be made in the *Canada Gazette* why cannot the date of appeal date from the publication of the order in the *Canada Gazette* so that everybody starts out from the same position? I could cite many examples to hon. members of the hardship imposed upon persons last summer during the postal strike, persons living out west a distance from Ottawa, because the Immigration Appeal Board Act in its regulations says that the period of appeal shall be so many days from the making of the decision. As I have said, that is a practice from the comfortable pew of Ottawa and has no place in the administration of justice across the country, and for that reason I have proposed my amendment.

Whether it exists in the Customs Act or what have you, I think it is a wrong practice. Here is a point where we can start to get rid of it. Let us start with the anti-dumping code and then we can get on to the Customs Act when the time comes. I would not like this practice to grow up under this bill merely because it has existed under other acts. Two wrongs don't make a right. For that reason I would urge the government to accept the proposition. I know it has considered it and that this amendment has not caught the government by surprise. I would like to hear what the parliamentary secretary has to say in regard to my proposal. It is nothing outrageous.

Mr. Gray: Mr. Chairman, this is one of those situations in which we are essentially in agreement on ends but, at the same time, in which we are not in agreement on means.

Mr. Baldwin: That is the story of parliament.

Mr. Gray: There is no question in my mind with respect to the attitude of the government. It wants to give the fullest opportunity for those concerned to be able to file notice of appeal. It is a question of working out procedures which take into account, at least in my opinion, not simply administrative concerns but also the fact that almost any procedure considered might have some type of fault or another in it. For example, it is suggested to me that a problem might be created if the hon. member's proposal is accepted by the fact that everybody may not read or get the *Canada Gazette* on the same day. I am just raising this as a point that one has to consider in looking at his proposal.

I say this because he has raised various concerns, and certainly we can understand the reason for his concerns with respect to this proposition in the bill that we are studying this evening. The hon. member has brought to the attention of the committee views sent on to him by the Assistant Deputy Minister of Finance, Mr. R. Y. Grey. Perhaps it might be useful if I brought to the attention of the committee some of the other views of the deputy minister on this, not so much to prevent consideration of the hon. gentleman's proposal but to provide a balanced way of looking at this particular matter. I might say that I think the hon. member will agree that his view which he raised in the standing committee has been given very detailed and serious consideration by the department and the officials and that, if it has not been acceded to at least until now, it is not because it has been summarily rejected but that after some study of the matter there is some honest difference of opinion.

In an earlier portion of his memorandum to the hon. member the Assistant Deputy Minister of Finance said that the hon. member had—

> —urged that all persons, regardless of their location in Canada, should have equal time, in practice, to file an appeal from a decision of the Deputy Minister to the Tariff Board. I am, of course, in sympathy with your position and I have reviewed this matter with our legal advisors.
>
> It has proven to be a very difficult matter to find a solution that would ensure that equal opportunity would be provided to anyone who wished to appeal such a decision. You will note from the wording of section 19(1) of the draft bill, that the right of appeal is not limited to the appellant, but rather provides an opportunity of appeal to "a person who deems himself aggrieved". We have been unable to work out a procedure that would ensure that anyone who wished to appeal would have equal time to file such notice. It seems to us that there is no certain means of notifying all such persons other than by notice in the Canada *Gazette*. In this connection we have considered lengthening the appeal period, but this would not seem to meet the substance of your position.

He went on to say:

> We also considered introducing a provision similar to that appearing in S-61A the Income Tax Act.

I will not attempt to quote it. Then he continued:

> We also took into account that if it were, in fact, possible to word the section in such a way that anyone who wished to appeal would have sixty days in which to do so, that the provisions under which an appeal may be made to the Tariff Board under this proposed anti-dumping act would be at variance with the appeal provisions now in the

continued:

He concluded with the paragraph that the hon. member brought to the attention of this committee of the whole house. I would conclude as I started by saying I think we are obviously in agreement on ends, but not in complete agreement on means, and I propose consideration might be given to seeing how we operate under the proposed section in the bill. It may be necessary after a year or two of experience to make changes, because this is a work of human minds, of human beings. I hope it will not be, but this is something that could be given further consideration. Meantime I will see what further thought has been given to the proposal made by the hon. member.

Mr. Lambert (Edmonton West): I appreciate all the arguments made by the parliamentary secretary, but may I say that this situation reminds me of the time I wanted to do something before the Exchequer Court. I wanted to tax a bill. There is a provision in the rules of the Exchequer Court that the assistant registrar may tax a bill. I made an appointment with him and then I was advised that the President of the Exchequer Court in a decision had ruled that the Exchequer Court had no business making such a rule, and therefore it was not applicable and the deputy registrar was not to take any appointments to tax bills of this kind.

He made that ruling in a particular case. I am not going to cite it. A person very closely connected to this chamber was involved. But then the judge told the court officials, "This decision is not to be published," and he refused publication in any of the law reports. So therefore 18 months later, long after the period of the appeal of this nonsensical ruling was up, there was no way of finding out.

This is precisely the sort of thing I want to avoid, that a decision shall have been made and then three weeks later it appears in the *Canada Gazette*. It will appear in the *Canada Gazette* all right, but three weeks or maybe a month later.

• (10:00 p.m.)

If somebody in Halifax or in Vancouver should feel aggrieved it would be necessary to consult counsel, who may be a tariff consultant, but the period would have elapsed before they could appear before the Tariff Board. This is what I want to avoid. If the date for filing an appeal shall start from the date of publication in the *Canada Gazette*, then I feel far more people would be available and more justice would be done. That is the purpose of my amendment. I hope the members of the government will sleep on it tonight and accept it.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDIAN AFFAIRS—COMPETITION FOR POSITION AS ADVISER ON POLICIES AND PROGRAMS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I rise tonight because I wish to speak on a question that was ruled to be inappropriate about a week ago. Over a century ago the Indian affairs department started out to administer treaties and to protect rights of native peoples, but according to Indian leaders, because of its paternalistic attitude it has gradually over the years become the oppressor rather than the protector of the very people it was developed to assist. It is perhaps fair to say that no other department of government enjoys so little confidence among the people it is structured to help. There is little real dialogue between the department and the native people themselves, in spite of repeated proposals from the natives that they take part in the decisions which affect them.

The record in respect of the treatment of Indians during the past 100 years in appalling. I could document this if I had time. Despite the expansion of the department by 10 per cent from 1966 to 1968 this expansion has resulted in little observable improvement in the services that will enable the Indians

and Eskimos to improve their ability to function in society with independence and dignity. As little as 5 or 6 per cent of the total budget of the department for salaries is being spent on employees of Indian and Eskimo origin. I should like it to be noted that the term "persons of Indian and Eskimo origin" is a very vague one. This does not mean that the money is being spent, in spite of the pitiful 5 or 6 per cent, on wages and salaries for reserve Indians. Metis or off reserve Indians are not covered under the act, but they are of Indian and Eskimo origin.

I think the main problem in the department is that the bulk of the budget is being paid to too many white chiefs, and that not enough trickles down to the Indians. To support this I should like to read from page 385 of the Senate Debates for the year 1968:

> The Department has 927 senior officer positions of which 801 are presently occupied. Of these, 17 persons are of Indian and Eskimo origin. Sixteen of the 17 persons are all occupied with Indian Affairs and represent 4.4 per cent of the senior positions occupied. A number of the 801 senior positions are concerned with education supervision.

Need I say more? If we take out the school principals and supervisors, this 4.4 per cent figure shrinks alarmingly. It is then accurate to say that the major decisions affecting native people are made by men, dedicated as they may be, who are in no position to understand Indian aspirations, because they are not Indians themselves. The door is barred to Indians in this department having a real voice for a long time to come. This brings me to the central point of the question I asked in the house:

> Has the Indian Affairs Branch recently advertised a competition at the PM6 level with a salary of $18,000 to consult with the Indian and Eskimo people on policies and programs affecting them? This competition, as I understand it, is not open to qualified native applicants.

Upon investigation I learned that the position was not really a competition at all but an internal promotion—some would say a political promotion within the department itself—with the incidental right of appeal by a native applicant within the department, if he felt he could meet whatever criteria might be set for the position. I think it is important that people know how these appointments work. First, they are not open competitions designed to secure the best man available from throughout the land. They are, instead, advertised narrowly within the department, and I imagine those in the know realize very early upon whose shoulders the magic wand has been placed.

The executive committee, which really means the deputy minister, chooses a person to fill the position. The right of appeal exists, of course, for any other employee if he is brave enough to appeal the choice, in this particular case before the expiry date of December 18. That is tomorrow, Mr. Speaker. Can you imagine who in his right mind would risk making an appeal in such a patriarchal system, if he wanted to get ahead?

The particular position in question is for the chief of the Indian-Eskimo bureau in Ottawa, a very important position in light of the growing desire of native Indians and Eskimos for a greater voice in their affairs and decisions affecting them. I think this position requires a man of considerable experience in dealing with the problems of native people. If not a native himself, he should have the respect of the people with whom he is to deal. He should possess a real empathy for native people. He should like them and be liked by them, because the position requires that the successful applicant co-operate with native people and enjoy their confidence in order to facilitate communication and learn with them.

What is the history of the applicant designated to fill this very important and sensitive office? My information is that there is little in the applicant's background which would qualify him as chief of the Indian-Eskimo branch. I apologize to the minister and to the applicant in advance, if my information is either unfair or inaccurate. The designated man is a former serviceman, an ex-air force officer. He was formerly employed in public relations in the office of the Minister of Transport (Mr. Hellyer) when he was minister of national defence. He later worked in public relations for the centennial commission, or was at least under contract to and employed by the centennial commission. Over the past year, and for one year only, the applicant was employed as executive assistant to Mr. R. F. Battle, assistant deputy minister of Indian affairs. He came into Indian affairs without competition. As far as I know he has never been before any civil service board. Now he is slated, after one year's experience in Indian affairs, to be moved from a $13,000 to an $18,000 per year position, without competition.

Two weeks ago in Ottawa the founding meeting of the National Indian Brotherhood took place. Indian leaders from all across Canada are demanding a greater voice. This kind of staffing and promotion practice within the department appalls these leaders and is a great slap in the face to them. Mr. Speaker, how can the Indian leaders believe that the department of Indian affairs is sincere in its desire for better relationships when a public relations man of one years's experience in Indian affairs can be promoted to a position of such importance without competition? Public appreciation of Indian problems and public sympathy and support for a better break for native people is in my view at an all-time high. Practices such as I have described only lower the image and prestige of the department of Indian affairs and, indeed, government generally. In my view it is about time we began to set our house in order in this regard.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the house knows that during the last few months we have been systematically reorganizing the Department of Indian Affairs and Northern Development. In fact, we have merged the Indian Affairs Branch and the Northern Administration Branch so that our best officials can hold the positions that will enable them to serve the Eskimos and Indians better.

With regard to the position the hon. member has just mentioned, of course new positions were created during the department's reorganization and the titles of the officials were changed.

With regard to the position of head of the Eskimo and Indian Affairs Branch, a competition was held within the service in order to find the candidate best qualified for that position. That competition was supervised by the Public Service Commission, under the established procedure, and the candidate chosen to fill the position as a result of the competition is Mr. Boyd.

Evidently, it is always possible to say that a candidate may not have the necessary competence, or that it might have been preferable to get the services of a person of Indian or Eskimo origin. In fact, I would have been most happy, Mr. Speaker, if the examination board had chosen a person of Indian or Eskimo origin. That would have been in keeping with my views, as I think it would be desirable to have more Indians and Eskimos among our staff. I am taking every possible means to have this policy enforced in

the future. I have instructed officials to interview, in universities and high schools, Indians and Eskimos, and invite those best qualified to join the department.

I can inform the hon. member that we have had the privilege of getting the service of an Indian to replace Mr. Boyd as executive assistant to the assistant deputy minister in charge of social affairs.

I can assure the hon. members that I intend to do everything I can so that the department will hire the largest possible number of Indians and Eskimos, because I believe they are the ones who will best of all solve their problems. We must take the necessary steps to develop in them the spirit of leadership that will enable them to give a new orientation to the people of Indian origin.

I thank the hon. member for having pointed out that perspective to me, of which I am very much aware. Still, it will be understood that within an administration, especially when jobs are shifted around as in this case because of the reorganization, we cannot invite just anybody from the public to fill the vacancies left by men who have been with the department for many years.

If anyone in this house pleads every day in favour of the seniority rights and other rights acquired by the public servants, the members of the New Democratic party do—

Mr. Speaker: Order.

Mr. Chrétien: I wonder why it is that today they would like us to remove people who have spent years with the department and put newcomers in their place.

Mr. Speaker: Order.

[*English*]

AIRPORTS—TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

Mr. Hyl Chappell (Peel South): Mr. Speaker, on December 13 I asked the Minister of Transport if he would abandon the proposal to enlarge the Toronto international airport at Malton. In the few minutes allowed me I shall try to persuade him to do so.

During the last three months I have done a great deal of research on the subject. My views have been fortified by studies conducted by the municipalities and by others. In addition, I have received objections, with reasons, from thousands of families who would be adversely affected.

I have concluded that the proposal is holding up the production of 19,000 housing units or accommodation for 50,000 people in Mississauga and Etobicoke. Living conditions would become unbearable for another 50,000 people now living to the south of the proposed enlargement. It would impair or destroy housing accommodation for another 150,000 people living to the east. Dozens of schools and hospitals would have to be soundproofed at great cost, and even then their efficiency would be lessened. It would disrupt the planned course of development, and thus the economic stability of the municipalities concerned. It would withdraw about 2,000 acres from a limited supply of 40,000 to 50,000 acres of land ready for urbanization, and thus have an extreme adverse effect on housing and other urban developments in the Toronto metro area. It would conflict with the Ontario planning act and be an insult to the planning of the area, as planned by the municipalities and approved by the province and by the Department of Transport itself. It would commit the federal government to pollution, in the sense that where investment is large enough we must accept it and thus make it impossible ever to cleanse thoroughly the air in the Toronto area.

• (10:10 p.m.)

Think of the air in ten years, at a time when there is no wind and thus no movement of air, with 2,000 flights a day spewing gas and carbon over the area. I understand that each plane burns approximately four tons of fuel during a take-off. This could lead to a total of 10,000 tons a day in the 1980's. Future generations would rightly condemn us.

The proposal has been rejected by all of the municipalities concerned. Their refusal to rezone the land for flight paths means that such land would have to be purchased, and the cost of the land alone would, I believe, be at least half a billion, whereas the original estimate for the whole project was approximately $300 million. Appropriately, the Central Ontario Planning Institute of Canada concluded that the expansion is wrong and would lead to a growing and insoluble conflict between the metro demand for land and the airport's demand for control.

A more acceptable and less expensive site can and must be found. I suggest for consideration a site on undeveloped and inexpensive land north of Kingston for a double jet port to serve Toronto and Montreal. If this is thought to be too far into the future, then perhaps Camp Borden would provide a site, since the government already owns 20,000

acres there. In both cases, the land is submarginal farm land, and could be acquired at a minimum cost. The recent trend in North America is for jet ports to be 50 to 100 miles from city centres. Pending development of rapid transit, there could be flying bus service from smaller ports such as de Havilland and the island in Toronto, by means of the new short take-off planes.

A second alternative, that of a floating airport seems worthy of investigation since the flightways would be over open water and would disturb no one. Leading civil engineers hesitate to estimate the cost, but feel a study costing about $100,000 would be a worthwhile investment. In fact, the United States federal aviation administration has just recently launched an intensive study of this solution. Two immediate objections, those of water pollution and a greater use of United States air space for descending planes, are not really tenable.

The airport of the late 70's or early 80's will require a staff of perhaps 30,000 people with a supporting city having a total population of perhaps 200,000. Rather than cause these people to settle in Toronto and Montreal metropolitan areas, where land is scarce and at a premium, we should plan for a new city to be compatible with an airport which would help to relieve the pressure in the metro areas, and at the same time allow the development of a new city on a pre-planned and logical basis.

Since severe intensification of flights would be as undesirable as the major expansion, I support a second airport as early as possible, but better still now, sufficiently removed to avoid a repetition of the present problem, and where land is inexpensive and can be zoned to provide for future further expansion.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): I appreciate this opportunity, Mr. Speaker, in the name of the Minister of Transport (Mr. Hellyer), to reply to the hon. member's interesting remarks. As indicated in the house a few days ago, the Minister of Transport is now in the process of reviewing the entire situation with regard to the proposed expansion of Toronto international airport. The minister has looked at the evidence which has been acquired by the Department of Transport and other agencies, and has examined the reports of meetings which have been held with officials of the municipality and the province of Ontario. He has also spoken to groups representing citizens of all the surrounding communities of the Toronto international airport. It is expected that within the next few days the Minister of Transport will make a statement concerning the Toronto international airport situation.

• (10:20 p.m.)

CONSUMER AFFAIRS—REQUEST FOR INVESTIGATION INTO PRICE OF TOYS

Mr. John Burton (Regina East): Mr. Speaker, yesterday I asked the Prime Minister the following question on orders of the day:

> In the absence of the Minister of Consumer and Corporate Affairs, I wish to direct my question to the Prime Minister. In view of the outrageous prices being charged for Christmas toys this season, would the Prime Minister consider requesting the Minister of Consumer and Corporate Affairs to conduct an immediate investigation into this serious problem?

In a supplementary question I noted that millions of dollars are spent on toys, that there are only a few shopping days until Christmas and that advertising creates additional pressures on our society. My interest in this question was aroused on Saturday when I accompanied my wife on a Christmas shopping expedition. We were appalled at the prices. Since our oldest child is now over eight years of age we have had some years of experience in Christmas shopping for our own children, within the limitations of a family budget. On this basis we noted that prices had skyrocketed since last year.

We were interested in buying several items in which our children had expressed interest, largely as a result of viewing television advertising. The items in which we were interested ranged from $15 to $30 or more, each. This was beyond the family budget. After our initial shock we started to look around. There was hardly any toy selling for less than $8 which would give any child pleasure. Curiously, there were a number of items which had been marked down to half price. I suggest that very likely these were not loss leaders, because they were still selling at a considerable price. Rather, they represented items where the desired profit had been made on the total consignment of the item, and the remaining stock was being sold at a lower level of return.

A friend who heard of my inquiry sent me the following note:

> I bought Billy Blastoff for $8.88 at a well known toy store. I've since seen it for sale in other stores

at several different prices, including as low as $4.88. This price range seems ridiculous. We parents need protection.

On Monday, prior to orders of the day, I purchased a plastic building set for $8.98, plus tax, and presented it to the Prime Minister following my question. I hope he enjoys playing with the set and that it will give him some relief from the tensions of office. I believe I obtained the beginner's set; with it I hope the Prime Minister may make more progress than he has so far in building his just society. Possibly he is fortunate that I did not give him the instant insanity set of blocks.

Since then I have discussed this matter with other people. I heard of one case where a four year old girl decided she wanted a particular make of doll. When her mother took her to see Santa Claus at a store the girl informed him she wanted the doll and Santa replied, "You tell your mother we have your doll already wrapped for you." On investigating the mother found the doll cost over $18, and had considerable difficulty, of course, in persuading her daughter that it would be better to buy another doll.

Another mother here in Ottawa investigated the toy situation just after Christmas a year or more ago. She was informed by the merchandising people that any toy could be sold through television advertising. They also told her that toys advertised on television could be sold for three times the ordinary retail price.

Christmas giving is a tradition in our society, stemming from the giving of gifts to the child Jesus in Bethlehem. Down through the centuries the giving of gifts, particularly to children, has become a tradition. Foisted on this beautiful tradition is the influence of mass advertising, and particularly television. The crass commercialization of Christmas for purposes of profit has prostituted this tradition. The conventions of our own society help to create a captive market in the Christmas season. The impact of television advertising constitutes a form of torture, used to squeeze out every possible dollar from the consumer under the guise of Christmas tradition.

I witnessed the impact of television advertising just this evening. My wife and I were looking at a Christmas catalogue and noted a "happy, happy doll" selling for around $15. Our four year old son was able to recite the words of the television ad at the mere mention of the name—"She laughs, and she'll make you laugh, too". Millions of dollars are spent on toys each year, and toys bring merchants one of the highest levels of retail mark-up. I am reliably informed that the average retail mark-up on toys is well above 40 per cent. I am also reliably informed that the retail price of toys is generally double what they cost to manufacture.

[Mr. Burton.]

Further questions of toy safety have arisen. In the Ottawa *Citizen* of Friday, December 13 we read:

So you're thinking of buying your daughter a miniature vacuum cleaner or sewing machine just like mommy's for Christmas?

Better think again. Consumers Union in the United States tested 42 electric toys of this nature for last months' issue of their magazine *Consumer Reports*, and found ten to be unacceptable from a safety standpoint.

The article goes on to give many examples. This is an excellent illustration of the type of thing that should be tackled by the Department of Consumer Affairs. Only a few shopping days remain until Christmas. If the Department of Consumer Affairs is to be effective it must develop a capacity to cope with such situations as this in a matter of a few days. Only in this way will the new department be of real value.

In the Ottawa *Citizen* of Saturday, December 14, appeared an article under the heading: Space toys "in", guns "out". In it we read:

Canadians are spending more than ever in the frantic crush of pre-Christmas buying and toy-makers forecast sales about 30 per cent higher than last season.

The '67 seasonal sale totalled about $180,000,000, or $32 per child.

I am sure this is a matter worthy of investigation by the department.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): With only seven shopping days left before Christmas I welcome this opportunity to answer the hon. member on behalf of the Minister of Consumer and Corporate Affairs (Mr. Basford). I appreciate very much the remarks he has made about the tradition of Christmas giving. I would also like to state with deference to the Prime Minister (Mr. Trudeau), that I cannot make any remarks as to his reference to what the Prime Minister said on the subject of block building.

I listened intently to what the hon. member said as to the price of toys, particularly since during the Christmas season all citizens with families of young children have the purchase

of toys very much on their minds. In attempting to ascertain the degree to which the current price of toys is a matter of concern to consumers we have checked returns to box 99 which, as hon. members are aware, is the facility through which the consumers of Canada register their complaints with the department. I find there has been little reaction to the price of toys. Out of fewer than 3,000 complaints since the inception of box 99, only 23 have related to toys and of these only two were concerned with price. There is, of course, a wide selection of toys available on the market, presenting the consumer with the opportunity to make a choice as to the variety, quality and, above all, price, to suit his purse. Price shopping is so important that the minister has strongly urged the consumer to shop by price, not only for toys but for all consumer goods.

Especially in cases where consumers regard the price of an article as essential and when other choices are available, as is the case with toys, the exercise of consumer wisdom in buying less expensive articles will have an appropriate effect on the market. Of course if the hon. member has any information to suggest that illegal restraints exist with respect to toys, he should immediately convey that information to the minister, or to the Director of Investigation and Research under the Combines Investigation Act—

Mr. Knowles (Winnipeg North Centre): Or to Santa Claus.

Mr. Haidasz: —and complaints so directed will, I am sure, receive the appropriate attention and action.

Mr. Knowles (Winnipeg North Centre): Ho, ho, ho.

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

APPENDIX

EXCHANGE OF CORRESPONDENCE WITH U.S. RESPECTING BALANCE OF PAYMENTS

Letter from Mr. Fowler to Mr. Benson

Dear Minister Benson:

In completing the 1969 United States balance of payments program and while arranging for an orderly transition, I thought it would be useful to review the unique financial relationship which exists between our two countries. This was last described in the exchange of letters I had on March 7, 1968, with your predecessor, Mitchell Sharp. In my letter I noted: "Unique financial relations between our two countries have been a mutual support to both and to the international monetary system. These relations have served the interests of both our countries without interfering with the domestic policies of either." Events since March add a new endorsement to this judgment.

This unique relationship which our two countries share is a natural reflection of a common and peaceful border of some 5,500 miles. It reflects as well the importance of trade and capital and neighbours who move across this invisible boundary. Recognizing this interdependence, we have long since believed that it is not in the interest of either country to occasion destabilizing influences on our currencies which might inhibit the other country in the pursuit of its own economic objectives. To this end, our policies in this field have been to support our overall objectives to our mutual advantage.

This is the reason, notwithstanding the crisis then raging in the gold markets of the world and only shortly after the President's New Year's day balance of payments measure, that in March we were able to exempt Canada from our balance of payments measures. This exemption and your reaction to it was indeed "mutual support." Canada was thus assured of access to our markets for a wide range of capital transactions, enabling Canada to continue its traditional method of financing its current account deficit with the United States and permitting financial institutions in both countries to operate flexibly.

This latest recognition of the interrelationship of our international payments is also the reason you have taken constructive actions to ensure that Canada is not used as a "pass-through" channel by which the purpose of the United States balance of payments program might be frustrated. Moreover, the policy under which you invest your foreign exchange holdings is to our mutual advantage.

This is also the reason that in the exchange of letters last March we reiterated the basic principle that it would not be Canada's intention to increase its foreign exchange reserves through borrowings in the United States. Implementation of this principle does not require that Canada's reserve level be limited to any particular figure. We are well aware of Canada's need for flexibility with respect to reserve levels in order to accommodate the adaptation of monetary policy to the changing needs of its domestic economy, seasonal factors and other influences of a temporary nature. This statement of objectives recognizes that under circumstances in which an improvement in the payments position of the United States is essential to the strengthening of the world monetary system, it is in Canada's own interest to avoid hindering the achievement of this objective by unnecessary borrowing in the United States. In recent times capital markets in other countries have developed a capacity which has attracted borrowers from many countries. Canadian authorities have taken advantage of these expanding capital markets to raise funds in substantial quantities. These developments now offer Canada an alternative means of achieving an increase in its reserves whenever Canadian authorities believe this is desirable. In addition, Canada has given strong support to the arrangements for new special drawing rights which, when activated, will offer a source of regular and automatic additions to international reserves. Both our countries, along with other nations, actively support the ratification of this new facility in the International Monetary Fund and the activation of these reserve assets as soon as possible.

In undertaking this review of our relationship, I have been very much aided by the knowledge and experience our respective governments have gained through the close consultations which form such an important part of this relationship. These consultations will, of course, continue to permit us to keep each other fully informed of our views regarding current financial developments.

The unique financial arrangements we have developed, expressed first with the joint statement of July 21, 1963 and brought up to date today, provide support to the payments positions of both countries and hence strengthen the international monetary system.

Sincerely yours,
Henry H. Fowler.

Letter from Mr. Benson to Mr. Fowler

Dear Secretary Fowler:

I welcome the review of financial relationships between Canada and the United States which you have provided in your letter of today's date.

As you have noted, the Canadian government is keenly aware of the importance to Canada and to the world, as well as to the United States, of the strength of the United States dollar and, as a means to that end, of a continued improvement in the international payments position of the United States.

With this in mind, the Canadian government has adopted policies to ensure that the exemption of Canada from the United States balance of payments program would not endanger the success of that program. In particular, we have taken steps to prevent Canada from becoming a "pass-through" channel for the flow of capital from the United States. We have also found various appropriate means of supporting the payments position of the United States. Thus the Canadian government has invested its United States dollar reserves (in excess of working balances) in special non-marketable issues of the United States treasury. It also turned to the expanding capital markets of Europe to find funds with which to rebuild Canada's foreign exchange reserves. In the course of this year substantial sums have been added to our reserves as a result of borrowings of the government of Canada and other Canadians outside the United States, and the investment of these sums has provided support to the payments position of the United States. We expect, as you note in your letter, that the implementation of the special drawing rights scheme in the International Monetary Fund will provide an additional well-regulated source of new reserve assets.

I too have found very useful the close consultations which have come to form such an important aspect of the relationship between our two countries. I look forward to a continuation of them as a means of keeping each other fully informed of our views regarding current financial developments.

In the light of all these considerations I can reiterate to you that it is not an objective of Canadian policy to achieve permanent increases in our exchange reserves through unnecessary borrowing in the United States. I fully share the view expressed in your letter that the implementation of this principle does not require that Canada's reserve level be limited to any particular figure, and that our reserves may be expected to fluctuate to accommodate the adaptation of monetary policy to the changing needs of the domestic economy, seasonal influence, and other influences of a temporary nature.

Yours sincerely,

E. J. Benson,
Minister of Finance.

HOUSE OF COMMONS

Wednesday, December 18, 1968

The house met at 2.30 p.m.

LABOUR CONDITIONS

EXTENSION OF TRANSITIONAL ASSISTANCE BENEFIT PROGRAM

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I would like to announce changes in the TAB or transitional assistance benefit program. I shall read this four page document as rapidly as possible. The purpose of these amendments is to extend the duration of the TAB program for another 18 months. Hon. members will recall that the program was to have ended on December 31 of this year. In addition there are a number of changes that will make the program of greater assistance to workers laid off in the automotive industry. It will better serve its original purpose, which is to ensure that the auto pact, which benefits the whole economy, is not effected at the expense of workers in the automotive industry.

It is proposed to extend the transitional assistance benefit program by 18 months, as I said, so that a lay-off can be certified as coming under the terms of the program up to June 30, 1970. This, hon. members will note, is the same date as that to which the assistance to firms in the industry under the loan program is being contemplated.

The rules on the eligibility of an individual for TAB will be eased. It is proposed that an employee be eligible if he has worked 16 weeks in the industry in the past 52 weeks. Previously the time required was 30 weeks. He must still be qualified for unemployment insurance.

The formula for benefit has been improved. It is now based on one week of benefit for every two weeks worked in the automotive industry in the past two years. The old formula provided four weeks of benefit to employees who had qualified by working 30 weeks in the previous 52, with one extra week of benefit for each additional week of service in that year, plus one week of benefit for each week of service in the year before the previous 52 weeks.

The 52 week maximum benefit is retained, but with the shorter qualifying period this change will allow a longer benefit period for employees with short service in the industry. It is proposed that this change be made retroactive to November 22, 1968.

An employee's entitlement to TAB remains in effect until it is exhausted, up to the expiry date of the program. At present that date is December 27, 1969. That is one year beyond the present termination date of the program. As things stand now a worker certified on that date who had a full year of entitlement to supplementary assistance benefit would never have a chance to draw TAB because the supplementary assistance benefit would have to be taken first. Thus he would be discriminated against compared with workers certified early in the program.

It is proposed that all workers be treated alike by assuring a three year period of entitlement regardless of when the lay-off was certified. The final cut-off point for receiving TAB benefit would be June 30, 1973.

At present an employee must use up any supplementary unemployent benefit to which he is entitled before he can draw TAB. It is proposed that an employee be allowed to choose which benefit he draws first, but not to allow both to be drawn at the same time. However, it is expected that in almost every case the employee will elect to draw supplementary unemployment benefit first because that would be in his best financial interest.

To sum up, these amendments will extend the life of the TAB program by a year and a half, will provide more assistance to workers with short service in the automotive industry, and will allow workers to choose which of SUB or TAB they will draw first. The amendments make some other minor modifications of an administrative nature.

• (2:40 p.m.)

In conclusion I should like to add that I have been informed by the Minister of Industry, Trade and Commerce that a statement was made at eleven o'clock this morning by the Ford Motor Company announcing that a second shift would be added to their St. Thomas assembly plant beginning next May, which will increase the plant work force from 1580 employees to 2715 employees for a net increase of 1135 new positions. I have also

been assured by the Ford company that the people who have been laid off in Windsor will be given preference in hiring at St. Thomas. However, this preference will be in accordance with the terms of their collective agreements.

Mr. Russell MacEwan (Central Nova): Mr. Speaker, first of all I should like to thank the minister for his courtesy in sending me a copy of his statement before noon today. We on this side of the house appreciate this very much.

Some hon. Members: Hear, hear.

Mr. MacEwan: I also commend the minister for the changes in the TAB regulations. This is something which had been pressed for by members of this party as is shown in the remarks of the Leader of the Opposition and myself as reported at page 3132 of *Hansard* for November 25, 1968. We certainly go along with the changes. I note that the life of the TAB agreement and regulations will be extended for a year and a half. It will cut down the necessity of having 30 weeks of employment in the last 52 weeks. The period now will be 16 weeks. Another important change is that which gives the option of choosing between SUB and TAB, whichever the worker wishes to take. This is a good move.

I wonder whether the minister has looked hard at the possibility of giving consideration to the situation in some other areas such as the constituency of my friend the hon. member for Cape Breton-The Sydneys (Mr. Muir), where some 600 stevedores are now out of work because of the changed situation with regard to the ferry there. The hon. member has brought up this matter many times.

This also brings to mind something else which has been discussed in the house; that is, the necessity of having companies, or as in the case of my hon. friend here the government, give sufficient notice to workers in order that they may have an opportunity to look after themselves, find other jobs and so on. I think this should be done. I think of places like Bell Island. My friend the hon. member for St. John's East (Mr. McGrath) represents that area. I think of the Sydney steel situation which is important, particularly to the people of Nova Scotia. I believe special consideration should be given to this. I realize that the minister is waiting for the Woods task force report. We are all waiting anxiously for this report, and hope something will be done in this regard, to look after the employees.

This measure assists the unemployment situation in the Windsor area. I hope the minister and the government will now come forward with policies to assist the very great number of unemployed throughout this country at this time. We know the latest figures are high. I think of the heavy unemployment in the shipyards, in the fisheries and in the rail car industry in my area, as well as others.

Mr. Speaker: Order, please. I must interrupt the hon. member to remind himself of the rule which governs statements on motions. The statements which may be made by hon. members on behalf of parties in opposition should be brief and should not be of such a nature as to provoke debate at this stage.

Mr. MacEwan: Thank you, Mr. Speaker. I shall be very brief and conclude by saying I would ask the government, in view of the plight of the people in this country, to bring forward immediately policies to alleviate the heavy unemployment situation in this country.

Mr. J. Edward Broadbent (Oshawa-Whitby): I too, Mr. Speaker, would like to thank the minister for his cordial act in sending a copy of his statement to the New Democratic party prior to his announcement in the house.

I find myself in the very happy position at this time of year of being able to say that I think the minister and the government have done a fine job in this area. At the same time I hope the minister and the government will understand that the effective changes in the TAB agreement were argued for at some length by members of this party on behalf of the automotive workers. That does not detract in any way from the fact that we now have these very fine changes in the TAB agreement.

The only point I wish to make is that I hope I and hon. members on this side of the house will not have to wait until Easter to congratulate the minister for another fine act. Of course I am referring to the proposals in the Freedman report, which I know he is very enthusiastic about. We look forward to government action in that field in the new year.

[*Translation*]

M. C. A. Gauthier (Roberval): Mr. Speaker, although I have not received a copy of the

statement made by the minister—and I do not blame him, for he may have sent it to another office—I would like, nevertheless, to congratulate him on having mitigated the regulations concerning eligibility for benefits of the automotive industry workers who have been laid off.

I wish to take this opportunity to ask the minister to think also of industries other than the automotive industry, where many workers are laid off and only receive 30 weeks of unemployment insurance benefits during the first 52 weeks.

Mr. Speaker, I think that if the minister continues to do a good job, he will certainly take an interest in the industries in our regions. I would also ask him to think of the agricultural industry, since our farmers have never been spoiled.

CANADIAN BROADCASTING CORPORATION

PROGRAM ON POLLUTION—TABLING OF LETTER

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, further to the question put to me last Monday by the hon. member for Fundy-Royal (Mr. Fairweather), the Canadian Broadcasting Corporation advises me that it has received a positive reply from Mr. Hall to whom the letter had been addressed; I am prepared to table copy of that letter in French and in English.

[*English*]

HEALTH AND WELFARE

CONTROL OF TAR AND NICOTINE CONTENT OF CIGARETTES

Mr. W. M. Howe (Wellington-Grey) moved for leave to introduce Bill No. C-147, to control the tar content and nicotine level of cigarettes.

Some hon. Members: Explain.

Mr. Howe: In view of medical information that cigarette smoking creates a definite health hazard for the nation, it seems to be a fact that this health hazard is associated with the tar and nicotine content in cigarettes. According to a recent report on research done at Waterloo University there is a great variation in the tar and nicotine content of cigarettes.

• (2:50 p.m.)

The purpose of this bill is to take steps in order that the safest possible cigarette be made available to the Canadian public. I would hope the government would give favourable consideration to referring this bill to the committee on health and welfare and social services, as has been done with other bills of a similar kind.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PENSIONS OF RETIRED CIVIL SERVANTS

Question No. 4—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired federal civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of civil servants or of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the number of retired civil servants and also the number of widows of civil servants or of retired civil servants presently residing in each province?

4. In respect of how many orphans of federal civil servants are pensions being paid and what is the average amount thereof?

Hon. E. J. Benson (Minister of Finance):

1. See table 1.

2. See table 2.

3.

	No. of Retired Civil Servants	No. of Widows of Civil Servants
Newfoundland	374	168
Prince Edward Island	194	98
Nova Scotia	1,638	852
New Brunswick	985	523
Quebec	5,691	3,312
Ontario	14,615	7,447
Manitoba	1,521	748
Saskatchewan	1,052	426
Alberta	1,829	849
British Columbia	5,362	2,148
Territories	65	7
Outside Canada	585	371
	33,911	16,949

4. 103 orphans. The average pension per annum—$207.

TABLE 1—ANNUITANTS

Monthly Dollar Brackets	Years of Service								Total
	0–4	5–9	10–14	15–19	20–24	25–29	30–34	35 + over	
Less than $20.00	*47*	183	27	11	7	7	5	2	289
$20.00– $29.99	*16*	*1,010*	93	16	3	3	1	5	1,147
$30.00– $39.99	*18*	*1,448*	353	44	14	8	1	2	1,888
$40.00– $49.99	7	*1,129*	639	111	22	14	9	7	1,938
$50.00– $59.99	3	617	*1,044*	210	35	16	6	8	1,939
$60.00– $69.99	11	298	*1,090*	362	110	16	8	7	1,902
$70.00– $79.99	7	135	*1,015*	462	154	39	9	6	1,827
$80.00– $89.99	6	74	734	552	222	95	19	7	1,709
$90.00– $99.99	4	41	516	*617*	223	145	37	16	1,599
$100.00–$149.99	16	81	804	*2,111*	*1,494*	*848*	*677*	465	6,496
$150.00–$199.99	6	50	139	*649*	*1,305*	*802*	*673*	1,071	4,695
$200.00–$249.99	4	4	31	158	*474*	*641*	*613*	*1,284*	3,209
$250.00–$299.99		2	12	57	200	299	349	*1,201*	2,120
$300.00 and over			10	84	252	403	463	*1,941*	3,153
TOTAL	145	5,072	6,507	5,444	4,515	3,336	2,870	6,022	33,911

In addition to these amounts, persons of age 67 and over, with the necessary residence qualifications, would be eligible for the Old Age Security pension of $76.50 per month in 1968 plus the Guaranteed Income Supplement of up to $30.60 for those with the lower incomes.

Some of these pensioners will be receiving additional pensions in respect of service in the Armed Forces or the R.C.M.P. or other employment.

The cases shown in this table, where there is a combination of long service and small pension, can arise from two sources: (1) Newfoundland Government employees who transferred to the federal service in 1949 at the time of Union who retired soon after transfer and before their higher federal government salaries had been received long enough to raise the pension level, and (2) Revenue and Assistant Revenue Postmasters in low revenue offices who were brought under the Civil Service Superannuation Act in the late '40's.

All cases which have been identified are of the former category.

TABLE 2—WIDOWS

Monthly Dollar Brackets	Years of Service								Total
	0–4	5–9	10–14	15–19	20–24	25–29	30–34	35 + over	
Less than $20.00	*111*	*1,138*	362	31	6	5		1	1,654
$20.00– $29.99	5	649	*889*	302	51	8	1	2	1,907
$30.00– $39.99		167	784	*529*	269	54	6	7	1,816
$40.00– $49.99		43	384	470	*408*	225	34	6	1,570
$50.00– $59.99	1	19	172	398	295	*330*	197	23	1,435
$60.00– $69.99	1	9	86	248	246	254	275	187	1,306
$70.00– $79.99	1	8	31	174	202	227	243	312	1,198
$80.00– $89.99	1	3	16	107	132	151	187	236	833
$90.00– $99.99		1	11	53	124	125	156	223	693
$100.00–$149.99	1	2	23	113	232	324	*424*	*881*	2,000
$150.00–$199.99	6	444	451	403	288	179	140	322	2,233
$200.00–$249.99			1	6	20	23	27	93	170
$250.00–$299.99				1	9	13	8	41	72
$300.00 and over					5	12	15	30	62
TOTAL	127	2,483	3,210	2,835	2,287	1,930	1,713	2,364	16,949

In addition to these amounts, persons of age 67 and over, with the necessary residence qualifications, would be eligible for the Old Age Security pension of $76.50 per month in 1968 plus the Guaranteed Income Supplement of up to $30.60 for those with the lower incomes.

Some of these pensioners will be receiving additional pensions in respect of service in the Armed Forces or the R.C.M.P. or other employment.

The cases shown in this table, where there is a combination of long service and small pension, can arise from two sources: (1) Newfoundland Government employees who transferred to the federal service in 1949 at the time of Union who retired soon after transfer and before their higher federal government salaries had been received long enough to raise the pension level, and (2) Revenue and Assistant Revenue Postmasters in low revenue offices who were brought under the Civil Service Superannuation Act in the late '40's.

All cases which have been identified are of the former category.

Questions

GRANTS IN LIEU OF TAXES, CAPITAL REGION

Question No. 108—**Mr. Code:**

1. To what municipalities, school boards or other municipal agencies in the National Capital Region does the Government of Canada or any department or agency thereof make grants in lieu of taxes?

2. What departments or agencies make such grants?

3. What was the total amount of the grant made in each year based upon the municipal or school tax bills for the years 1966 and 1967 to each such municipality, school board or municipality agency by each such department or agency?

4. Of the total amount of the grant to each such municipality, school board or municipal agency by each department or agency, what part of such grant was based upon the school tax component of the tax bill?

Hon. E. J. Benson (Minister of Finance): 1. In the province of Ontario the city of Ottawa, town of Eastview, townships of Gloucester, Nepean, Fitzroy, March, North Gower, Huntley, Torbolton and the village of Rockcliffe Park. In the province of Quebec the city of Hull, towns of Gatineau, Gatineau Point and Aylmer, township of Hull West, municipalities of Lucerne, Des Chenes, Eardley, Ste Cecile de Masham, East Templeton, North Onslow, South Onslow, Old Chelsea and Chelsea, Hull school commission, Greater Hull Protestant school board, Gatineau Catholic school commission, Gatineau Point Catholic school commission, Protestant school commission of Aylmer, St. Stephen school board of Chelsea, St. Mary's school commission of Quyon, Ste Cecile de Masham school commission, Des Chenes rapides school commission, Protestant school board of Lapeche, Onslow Protestant school commission, St. Etienne de Chelsea school commission, school commission of Eardley, Aylmer Catholic school commission, Protestant school board of Chelsea, and East Templeton school municipality.

2. Department of Finance, Department of External Affairs, Atomic Energy of Canada Limited, Canadian Broadcasting Corporation, Central Mortgage and Housing Corporation, Eldorado Mining and Refining Limited, National Capital Commission, and National Research Council.

3 and 4. See attached table.

Department or Agency	Grants in Lieu of Real Property and Business Tax			
	1966		1967	
	Total	School Portion	Total	School Portion
Department of Finance (departmental property and, with respect to the City of Ottawa, property of the National Research Council)				
City of Ottawa	7,138,474	3,923,731	8,344,542	4,545,367
Twp. of Gloucester	184,912	107,582	233,889	150,303
Twp. of Nepean	140,536	97,638	170,177	117,398
Twp. of Fitzroy	48	29	50	31
Twp. of March	3,897	2,625	6,416	5,101
Twp. of North Gower	6,300	3,914	6,400[e]	4,000[e]
Twp. of Huntley	2,394	1,392	2,756	1,706
Twp. of Torbolton	297	120	305	125
City of Hull	182,953	—	188,492	—
Town of Gatineau	871	—	1,318	—
Hull School Commission	286,494	286,494	296,483	296,483
Gatineau Point Catholic School Commission	172[e]	172[e]	3,100[e]	3,100[e]
Greater Hull Protestant School Board	3,879	3,879	4,181	4,181
Gatineau Catholic School Commission	1,554	1,554	1,600[e]	1,600[e]
Town of Gatineau Point	125[e]	—	2,500[e]	—
Town of Aylmer	624	—	1,040	—
Department of External Affairs (re diplomatic properties)				
City of Ottawa	221,151	115,346	253,632	134,073
Village of Rockcliffe Park	44,151	22,054	51,396	25,077
Municipality of Lucerne	640	—	748	—
Catholic School Commission of Rapide Des Chenes	2,631	2,631	2,318	2,318
Protestant School Commission of Aylmer	637	637	736	736

Department or Agency	Grants in Lieu of Real Property and Business Tax			
	1966		1967	
	Total	School Portion	Total	School Portion
Atomic Energy of Canada Limited				
City of Ottawa	51,201	26,563	58,488	30,721
Twp. of March	32,149	24,273	38,188	28,011
Canadian Broadcasting Corporation				
City of Ottawa	89,401	46,310	105,069	55,019
Twp. of Gloucester	1,255	801	1,575	1,080
Central Mortgage and Housing Corporation				
City of Ottawa	73,714	37,567	83,505	43,187
Twp. of Gloucester	541	—	615	464
Twp. of Nepean	—	—	—	—
Eldorado Mining & Refining Limited				
City of Ottawa	14,476	7,823	17,770	9,695
National Capital Commission				
City of Ottawa	97,163	46,833	258,013	133,651
Twp. of Gloucester	39,853	25,825	47,501	30,781
Twp. of Nepean	18,416	12,210	21,045	13,953
Town of Eastview	—	—	1,823	1,019
Des Chenes	6,043		4,784	
Lucerne	4,765		4,789	
Eardley	2,700		3,168	
Ste Cecile de Masham	3,263		3,163	
East Templeton	40		40	
Hull West	3,100		3,624	
North Onslow	1,900		1,900	
South Onslow	9		9	
Old Chelsea	−412		154	
Chelsea	—		448	
St. Stephen School Board of Chelsea		8,950		10,233
St. Mary's School Commission of Quyon		400		473
Ste Cecile de Masham School Commission		10,400		9,294
Des Chenes Rapides School Commission		6,300		6,000
Protestant School Board of Lapeche		1,850		2,239
Protestant School Commission of Aylmer		14,154		15,766
Onslow Protestant School Commission		3,189		3,574
St Etienne de Chelsea School Commission		6,500		—
School Commission of Eardley		450		938
Aylmer Catholic School Commission		32		—
Protestant School Board of Chelsea		400		9,252
Gatineau Catholic School Commission		216		—
East Templeton School Municipality		—		150
National Research Council (excluding City of Ottawa)				
Twp. of Gloucester	81,955	34,028	105,585	53,758

NOTES: The above tabulation excludes miscellaneous grants in respect of local improvements, fire supply charge (if paid through water rates) water surcharge for sewer service and redevelopment charge; none of these is levied by school authorities or is in respect of school services. It also excludes payments by certain crown corporations—Canadian National Railways, Bank of Canada and Air Canada—which are not agents of the crown for all purposes and which therefore pay taxes rather than grants in lieu thereof. Finally, it excludes payments made on behalf of occupants of crown property from whom full recovery is made. The Central Mortgage and Housing Corporation payments relate to the business premises of the corporation and exclude payments in respect of property held under housing programs; the latter amounts, which are small, are nearly all recovered from occupants of corporation housing or from persons to whom land is sold. Where an amount is followed by an "e" this denotes that it is an estimate.

Questions

SHIP CONSTRUCTION CONTRACTS

Question No. 295—**Mr. Anderson:**

1. What is the value of all federal government ship construction contracts in the years 1965, 1966, 1967 and the first six months of 1968?

2. What is the value of federal government ship construction contracts given to west coast ship yards during those years?

3. What percentage of federal government ship construction contracts is to be guaranteed to west coast yards in the years 1969 and 1970?

4. Is it still the intention of the government to have national bidding on all new ship construction after 1970?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the department of Industry and Defence Production as follows: 1. Federal government contract expenditures on ship construction (excluding repairs) amounted to approximately $170M., distributed by fiscal years as follows: 1965/66, $33.5M; 1966/67, $53.23M; 1967/68, $57.79M; 1968/69 (6 months), $25.50M.

2. Federal government contract expenditures in West Coast shipyards on ship construction (excluding repairs) amounted to approximately $34M.

3. The allocation of ship construction contracts to the West Coast area for 1969 and 1970 is at present under consideration.

4. Yes, whenever the nature and operational circumstances of the requirement permits. Area competitions will be held where it is not practical to transfer a vessel from one area to another.

CROWN CORPORATION BOND ISSUES

Question No. 419—**Mr. Fortin:**

1. What Crown corporations float public bond issues?

2. Has the government any control over such bond issues?

3. Are such bonds guaranteed by the government?

4. During the past five years, which bond issues were floated and at what interest rates?

5. Has the government considered, is it considering, or will it consider granting Crown corporations the authority to borrow from the general public?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. The Canadian National Railways and Polymer Corporation Limited have floated public bond issues.

[Mr. Benson.]

2. Yes.

3. In the case of C.N.R., its bond issues are guaranteed by the government. Bonds issued by the Polymer Corporation Limited are not guaranteed by the government.

4. There has been only one public bond issue in the past five years. It was made by the Polymer Corporation November 1, 1967; its amount was $18 millions and the interest rate was 7½ per cent.

5. The government has considered and approved borrowing from the general public in the instances covered in the above replies. Authority for crown corporations to borrow from the general public must first be incorporated in the corporate powers granted by Parliament. The government is not considering seeking from Parliament such general authority for all crown corporations. Where such authority exists, the government's approval of borrowing by a crown corporation from the general public takes into account such considerations as the purpose of the borrowing, the type of bond or security to be issued, its terms and conditions, the capital market in which it is to be sold, and the conditions in that capital market. Also included among such considerations is a comparison of the relevant cost of supplying the required funds out of the proceeds of direct borrowing by the Government as opposed to borrowing in the name of the crown corporation with or without a Government guarantee.

MISSION TO FRANCE RESPECTING SATELLITE COMMUNICATIONS

Question No. 536—**Mr. Macquarrie:**

1. Who are the members of the Canadian mission now in France discussing co-operation in the field of telecommunications satellite research?

2. What is the position held in the Public Service of Canada by each member of the mission?

3. When is the group expected to return to Canada?

4. What is the purpose of the mission?

5. What is the estimated total cost of the mission?

6. Were other persons not officials of the Canadian Government asked to accompany the mission?

7. Is it the intention of the government to construct a television satellite and, if so, when is it intended that such satellite will be functioning and what is the estimated cost?

8. From what countries are component parts for such a satellite currently available?

9. To what other countries will the mission referred to in Part I or a similar one be sent?

Hon. Eric W. Kierans (Postmaster General): In so far as telecommunications is concerned—

1 and 2. Dr. J. R. Whitehead, Science secretariat, PCO; Mr. Gilles Bergeron, Manager, project office, domestic satellite communications, system, PCO; Mr. Robert Bibby, Head of the grounds stations and data, processing group of electronics, laboratories, defence research telecommunications establishment; Mr. Harry Kowalik, Professional, space mechanic section, electronics laboratories, defence. Research telecommunications establishment; Mr. Donald Weese, Systems engineer, project office, domestic satellite communications, systems, PCO; Mr. Jacques Mercier, Communications section, electrical and electronics branch, Department of Industry.

3. Mr. Bergeron returned to Canada on October 26; other members of the mission returned on November 5.

4. (a) To study and analyze in detail the "Symphonie" satellite project in order to evaluate progress in European space developments and to determine how it could be applied to Canadian projects; (b) To seek in the following countries: France, Britain, Germany, Italy, Holland and Belgium, the evaluation of manufacturers and laboratories that could manufacture our telecommunication satellites in the near or distant future; (c) To study at random possibilities of long term space cooperation.

5. The estimated cost of the mission is $9,885.17.

6. No.

7. (a) Yes, (b) The end of 1971 or the beginning of 1972; (c) Since the program is still under way and studies not fully completed, it is impossible to establish the total cost at the present time.

8. U.S.A., Britain, France, Germany, Belgium, Holand and Italy.

9. See answer 4 (b).

ART CENTRE EXPENDITURES

Question No. 582—**Mr. Diefenbaker:**

1. Were any expenditures made for and on behalf of the National Art Centre by the Department of the Secretary of State and/or the Centennial Commission?

2. If so, what is the amount thereof?

Hon. Gérard Pelletier (Secretary of State): 1. Yes.

2. The following expenditures were made for construction of the National Arts Centre, cumulative to October 25, 1968: Centennial commission: $4,261,064; Department of the Secretary of State: $31,414,536; Before the establishment of the National Arts Centre Corporation, the following expenditures were made for or on behalf of the "Office of the Co-ordinator of the National Arts Centre for the Performing Arts": 1964-1965, Centennial commission, $92,680; 1965-1966, Centennial commission, $118,868; 1966-1967, Department of the Secretary of State, $191,797.

SALE OF AIR CANADA VANGUARD PLANES

Question No. 599—**Mr. Forrestall:**

1. Is Air Canada planning to sell its fleet of "Vanguards" in whole or part?

2. If so, on what schedule will the sales take place?

3. Have any been sold to date and, if so, to whom and at what cost?

4. (a) What was the average purchase cost of each plane (b) what is the present average depreciated value per aircraft (c) what is the current average market worth of the planes?

5. What aircraft will replace them if they are to be sold?

Hon. Paul Hellyer (Minister of Transport): The Management of Air Canada advises as follows:—1. Yes, Air Canada is planning on a progressive retirement of its Vanguard fleet.

2. 5 aircraft available for sale January 1, 1969, 4 additional aircraft by March 1, 1969 and the remainder of the fleet (14) by November 1, 1971.

3. No.

4. (a) $2,988,809; (b) At October 31, 1968 $142,372; (c) Between $250,000 and $675,000 depending on the condition of the plane.

5. In general, DC-9s, but on certain routes, DC-8s.

CANADIAN TRANSPORT COMMISSION

Question No. 602—**Mr. Fortin:**

1. Who are the members of the Canadian Transport Commission, what is the duration of their term of office and what is the salary of each?

Questions

2. Where is the head office of the Commission, and does it meet in other major Canadian cities and, if so, what cities?

3. Does the Commission have jurisdiction over (a) international transportation by rail, air, pipeline, sea and by road (b) interprovincial transportation by rail, road, water, pipeline and by air (c) intraprovincial transportation by rail, road, water, air and by pipeline?

4. What has been the outcome of negotiations between the federal government and the provinces regarding a division of powers over transportation?

5. Since its establishment, how many permits in each category were granted by the Commission?

6. What regulations have been passed under the Transportation Act?

7. Are the Commission's decisions published?

8. Is the Commission conducting an investigation with regard to the establishment of a merchant marine policy in Canada and, if so, when will the results be available?

9. When will the first report of the C.T.C. be submitted to the House?

10. How many appeals were made from decisions of the C.T.C.?

Hon. Paul Hellyer (Minister of Transport): 1. The following are members of the Canadian Transport Commission: Hon. J. W. Pickersgill, P.C., president; Pierre Taschereau, Q.C., vice-president; J. R. Belcher; G. R. Boucher; Q.C.; A. P. Campbell; J. F. Clark; R. R. Cope; H. J. Darling; J. E. Dumontier; L. Fortier, Q.C.; H. H. Griffin; W. R. Irwin; D. H. Jones; A. S. Kirk; J. A. D. Magee; G. Morisset; J. M. Woodard. The National Transportation Act provides for members to be appointed for a period not exceeding 10 years, but to cease to hold office upon reaching the age of 70. The annual remuneration of the president is $40,000; of the vice president, $35,000; of other members, $24,000. An additional remuneration of $3,000 per annum is paid to any member of the commission who is appointed to be chairman of a committee of the commission.

2. The head office of the commission is located at 275 Slater Street, Ottawa. The commission has district offices in St. John's, Moncton, Montreal, Toronto, Winnipeg, Saskatoon, Vancouver, Calgary. The sittings of the commission are held in Ottawa but the commission sits elsewhere in any part of Canada whenever circumstances render it expedient.

3. The National Transportation Act, under which the commission was constituted, applies to the following modes of transport: (a) transport by railways to which the Railway Act applies; (b) transport by air to which the Aeronautics Act applies; (c) transport by water to which the Transport Act applies and all other transport by water to which the legislative authority of the parliament of Canada extends; (d) transport by a commodity pipeline connecting a province with any other or others of the provinces or extending beyond the limits of a province; and (e) transport for hire or reward by a motor vehicle undertaking connecting a province with any other or others of the provinces or extending beyond the limits of a province; Parts II and III of the act dealing with the subject matters of (d) and (e) are not presently in force.

4. There have been no such negotiations.

5. 9 licences have been issued pursuant to the Transport Act; 139 new licences were issued pursuant to the Aeronautics Act.

6. The Canadian Transport Commission general rules.

7. There is no general publication of the decisions of the commission; however, the decisions of the railway transport committee of the commission are published by the Queen's Printer under the heading "Judgments, Orders, Regulations and Rulings".

8. The commission is undertaking a study of the economic feasibility of a Canadian deep sea merchant marine. It is expected that the study will take about a year.

9. The first annual report of the Canadian Transport Commission was tabled in the House of Commons on April 23, 1968.

10. There have been 20 appeals pursuant to section 18 of the National Transportation Act and one appeal pursuant to section 53 of the Railway Act.

[Mr. Fortin.]

RECREATIONAL FACILITIES ON INDIAN RESERVES

Question No. 624—**Mr. Dinsdale:**

1. Is any capital assistance available to establish recreational facilities on Indian reserves?

2. If so, what amounts are available, on what terms and under what programs?

3. Has the Department of Indian Affairs and Northern Development received any applications from Indian Bands for loans or grants for capital assistance for recreational programs and, if so (a)

where have such requests come from (b) what loans or grants have been made (c) what loans or grants have been refused and for what reasons?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. There is at present no program which provides capital assistance to establish recreational facilities on Indian reserves.

2. While capital assistance as such is not available, grants for recreational programs are available on the basis of on-reserve population. These are granted at the rate of $1.00 per capita for every 10 cents per capita contributed by the band. The maximum is $5.00 per capita but not exceeding $5,000.00 to a band in a year.

3. Since April 1, 1968 the Department received the following application: (a) The Bella Bella band applied for capital assistance; (b) None; (c) The Bella Bella band request is under consideration.

REPRESENTATIONS BY ARMSTRONG INDIAN ASSOCIATION

Question No. 645—**Mr. Yewchuk:**

1. With reference to the meeting of the Minister of Indian Affairs and Northern Development with the president of the Armstrong Indian Association on Tuesday, October 29, 1968, will the Minister make a grant available to Mr. Hector King, president of the association, as a means of encouraging direct involvement of the Indian peoples in the political process?

2. Will the Minister take the initiative in arranging for such a grant from other agencies so that the work of Mr. King can continue?

3. What concrete steps does the Minister propose to encourage the participation of the Indian people and to ensure that the policy of the Department reflects the views of the Indian people, as recommended in the Hawthorn Report?

4. Does the Minister intend to expand the terms of reference of the Indian Act hearings to allow full discussion of means by which the Indian people can participate in the development of Indian policy?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1 and 2. In reply to Mr. Hector King's brief, the minister indicated that he would listen to the views and proposals put forward by the Armstrong Indian Association so long as it continues to be a true representative of the Indian community at Armstrong, Ontario. An agreement is in effect between the Ontario government and the department, whereby the province assigns a community development worker to Armstrong to work with the Indian and non-Indian population. Because of this, the department informed Mr. King that it would not be appropriate to appoint him as a community development worker at this time.

3. Indian people now participate in the administration of their affairs through their band councils and they make known their views on policy through their councils and Indian organizations. In addition, policy matters have, during the past three years, been reviewed at meetings of regional Indian advisory councils and the national Indian advisory board. More recently, Indian leaders have met to establish the National Indian Brotherhood which, it is expected, will have an important role in expressing the views of the Indian people. Relationship between the government and the native brotherhood as well as regional organizations, is currently under review and it is my hope and expectation that they will play an increasingly important role in assisting the government with the formulation of Indian Affairs policy.

4. While the main objective of the Indian Act hearings has been to seek the views of the Indian people respecting the Act, the discussions have ranged beyond the Act and have included the subject raised in the question.

NOTICE OF SALARY INCREASES DEPENDENT UPON FRENCH STUDY

Question No. 656—**Mr. Harkness:**

1. Have some civil servants been given notice with their pay cheque that there will not be the usual increase in salary unless they enrol for a French course?

2. If so, how many civil servants were such notices sent to and in what geographical areas?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. No.

2. Not applicable.

PUBLIC WORKS TESTING LABORATORIES

Question No. 686—**Mr. Paproski:**

1. Did the Department of Public Works maintain and operate a soils, concrete and asphalt testing laboratory at Banff, Alberta?

Questions

2. If so, when was it established and is it still in operation or was it closed (a) on what dates, and (b) for what reasons?

3. What was its average personnel complement?

4. As a replacement were there established a separate soils testing laboratory in Edmonton and a concrete and asphalt testing laboratory in Calgary with the technicians therein under the direction of an engineer in Edmonton?

5. Has this proved unsatisfactory and for what reasons?

6. Is it now proposed to expand both the testing laboratories in Edmonton and Calgary and to what level of operations?

7. Will this require additional personnel and, if so, how many and of what kinds?

8. What would be the area of jurisdiction of such testing laboratories?

9. Does the Department of Transport operate a similar testing laboratory in Edmonton and what prevents the joint use of such laboratories?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Works and the Department of Transport as follows: 1. Yes.

2. (a) Established in 1956. Closed in 1967; (b) The department's administrative functions in Banff were transferred to Calgary and Edmonton.

3. 26.

4. Yes.

5. No.

6. No.

7. Not applicable.

8. Edmonton: routine testing for quality control of materials with emphasis on soil testing for projects in the Northwest Territories; Calgary: routine testing for quality control of construction materials for projects in the prairie provinces.

9. The Department of Transport operates a soils and materials testing laboratory in Edmonton for testing soils and pavement materials including asphalt and concrete to assure compliance with specification requirements. The facilities available are limited to those necessary to meet the department's day to day work load only, in the specific field of airport construction. Specialized testing is performed by other agencies as and when required.

GREAT LAKES FISHING POLICY

Question No. 691—**Mr. Robinson:**

1. What is the government policy regarding the fishing industry in the Great Lakes?

[Mr. Paproski.]

2. What is the government policy regarding the provision on the Great Lakes of (a) wharfs (b) harbours (c) harbour facilities (d) marina facilities?

3. Does the government propose to charge a fee for the use of federal wharfs and facilities on the Great Lakes?

4. Will the government assist municipal authorities to provide harbour, wharf and marina facilities in the Great Lakes?

5. What is the government policy toward assisting Metropolitan Toronto in setting up a Harbours Board and/or Port of Authority and what facilities will the federal government provide?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Fisheries, Public Works and Transport as follows: 1. In Ontario the provincial government has assumed responsibility for administration of the fisheries, through agreement with the federal government. Responsibility for the Canadian share of fisheries research and lamprey control programmes conducted pursuant to the terms of the Convention on Great Lakes Fisheries between Canada and the United States of America is assumed by the federal and provincial governments.

2. (a) and (b) The Department of Public Works provides wharfs and harbours where these are economically justifiable and funds can be made available; (c) Normally harbour facilities such as water, light, parking areas, etc. are not the responsibility of the Department of Public Works; (d) Under the Marina policy assistance may be granted in the establishment of a public marina. This is limited to the construction of breakwaters and dredging in the main harbour channels and is contingent on the developer spending an equal number of dollars on landing places and other shore facilities.

3. Wharfage tolls and dues are payable on vessels using federal public wharves under direct administration of the Department of Transport. Charges apply also on goods loaded or unloaded at the wharves or for storage, etc User charges at the wharves have been in effect for many years. The present schedule of rates is included in the Government Wharves Regulations authorized by Order in Council P.C. 1964-104 dated January 23, 1964, as amended.

4. See answer to 2. above.

5. The present Toronto Harbour administration was incorporated under the Toronto

Harbour Commissioners Act, 1911. The Toronto Harbour Commissioners have kept the government informed with respect to current planning for redevelopment of the Metropolitan Toronto waterfront and members of the government have also had preliminary informal discussions with City authorities in these matters and related questions pertaining to future harbour administration. The question of federal assistance for new harbour works or facilities is also receiving consideration in conjunction with major harbour studies now in progress.

MINISTERS IN CHICAGO, OCTOBER 1968

Question No. 720—**Mr. Schreyer:**

1. Were any federal Ministers in Chicago on official business at any time during October 1968?

2. If so (a) how many persons were in the group despatched to Chicago (b) for how long a period of time and at what public cost (c) what was the cost of leasing or hiring of limousines and/or other means of transportation?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. No.

2. Not applicable.

PAYMENTS TO WITNESSES, CHARGES AGAINST SEAMEN'S UNION MEMBERS

Question No. 726—**Mr. Howard (Skeena):**

1. What is the name and address of each person who received payments, with the amount of such payment indicated, for (a) transportation, and (b) other than transportation to attend as witnesses with respect to certain charges laid against certain members of the Seafarer's International Union as referred to on pages 2472-3 of *Hansard*?

2. With respect to Part (b) of the above, for what purposes, in detail, were the payments made in each person's case?

Hon. G. J. McIlraith (Solicitor General): 1. There were 94 witnesses in this case, however, it is not deemed to be in the public interest to publish the names and addresses of the individual witnesses. Total payments, revised in accordance with the information available as of this date, are as follows: (a) $5,915.60; (b) $9,599.55.

2. Witness fees, $2,785.00; Meals and lodging, $6,814.55.

*C.N.R. POLICE, MONCTON AREA

Question No. 759—**Mr. Crossman:**

1. What is the extent of the area covered by the C.N.R. Police based in Moncton, N.B.?

2. What was the repair cost during the last full year to damage caused by vandalism in this area?

3. How many C.N.R. Police officers are employed in this area?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the management of Canadian National Railways advises as follows:

1. Metropolitan Moncton, the Sussex subdivision between Moncton and Sussex and lines of railway comprised in other local subdivisions radiating from the Moncton area.

2. Such information is not available in the form asked.

3. 25.

EXECUTIVE DIRECTOR, COMPANY OF YOUNG CANADIANS

Question No. 769—**Mr. Coates:**

1. How many applications were received for the position of Executive Director of the Company of Young Canadians and were any of the applications received for this position from members of the present staff and, if so, what members of the present staff made application for the position?

2. What is the full name, address and qualifications of the individual appointed to the position of Executive Director and what past experience qualified him for his present position?

Hon. Gérard Pelletier (Secretary of State): I have been informed by the chairman of the provisional council of the Company of Young Canadians as follows: 1. 157 applications were received for the position of executive director of the Company of Young Canadians; applications were received from members of the staff; these applications were made in confidence.

2. Mr. Claude Vidal, 672 Wiseman Street, Outremont, Montreal 8, Quebec.

Personal data and education: 38 years of age; married and father of two children; B.A. (1956) and M.A. (linguistics) (1962), Université de Montréal. Class work for a Ph.D. (linguistics) completed at the University of Michigan, Ann Arbor (1962-64).

Working experience: August 1966 to present: government of the province of Quebec. Present title—Director of "Ecole des Beaux-Arts"; August 1965 to September 1966: Montreal Catholic School Board. Title—Associate to the Director, Adult Education; August 1964 to August 1965: Montreal Catholic School Board. Title—Directeur, Language Teaching Bureau; September 1956 to August 1964: Jacques Cartier Normal School. Title—Director of English Language Section.

The governor-in-council and the provisional council of the Company of Young Canadians feel that Mr. Vidal's experience, first as

a teacher, and more particularly as director of the École des Beaux-Arts, Montreal, have equipped him eminently for the executive directorship of the Company of Young Canadians. In his most recent post, Mr. Vidal encouraged a substantial measure of effective self government within the school, and through that self government a thorough review of the finances, administration and curriculum of the school.

HALIFAX SPACE RENTAL, COMPANY OF YOUNG CANADIANS

Question No. 793—**Mr. MacInnis (Cape Breton-East Richmond):**

1. Has the Company of Young Canadians rented space in a Halifax hotel?

2. If so (a) for how long (b) at what cost (c) for what purpose?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. Yes.

2. (a) The Company of Young Canadians, through the Department of Public Works, leased 500 square feet in the Lord Nelson hotel, Halifax for a period of five years from August 16th, 1966. The company requested that the Department of Public Works sub-let the above premises in February, 1968; (b) The annual cost was $2,640; (c) The premises were leased to provide office accommodation.

COMPANY OF YOUNG CANADIANS—DAVID DEPOE

Question No. 794—**Mr. MacInnis (Cape Breton-East Richmond):**

1. Was David DePoe a member of the Company of Young Canadians, does he still hold a position with the body and, if not, when did he cease his work with that body and did he resign from that body?

2. If David DePoe was a member of the C.Y.C. was he ever retained by that body as a "consultant" or in any professional capacity and, if so, was this during the period he was also a member of that body or at a later date and, if so, when?

3. If David DePoe was retained in any capacity by the C.Y.C. other than as a volunteer, what was the purpose and duties of the position in question and how much did he receive in fees and expenses?

4. Has the C.Y.C. ever paid any fine for any "consultant" or other person retained by that body in any professional capacity in the City of Toronto and, if so (a) what was his name (b) what was the charge against him (c) what was the amount of that fine, and (d) for what reason was such fine paid?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. Mr. David DePoe is a volunteer member of the Company of Young Canadians. His contract expires January 17, 1969.

2. No.

3. Not applicable.

4. No.

SUMMER EMPLOYMENT FOR STUDENTS

Question No. 813—**Mr. Yewchuk:**

1. Is the government considering the establishment of a national program for summer employment of university students as recommended at the meeting of the Association of Universities and Colleges of Canada?

2. Has the attention of the Minister of Manpower and Immigration been drawn to a statement by the President of the University and College Planning Association that Canadian university students face another "very bleak" employment situation this summer and, if so, has the government launched any special studies of the student employment problem?

3. Will the government bring in legislation to amend the Canada Student Loans Act to make part-time students eligible for loans and at the same time, will the Prime Minister say whether any changes are contemplated in the regulations to make it easier for students to obtain grants and loans?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance and Manpower and Immigration as follows: 1. The federal government cannot in isolation solve the problem of summer employment for students. The solution calls for concerted effort by governments at all levels, employers, the universities, and the students themselves. The contribution of the federal government must be consistant with the overall needs of all who seek work. It is the intention of the Department of Manpower and Immigration on a national basis, to publicize the need for co-operation, to expand existing services, and to intensify all efforts that can in any way contribute to the improvement of the summer employment situation for students.

2. Yes. Officers of the Department of Manpower and Immigration have already met with representatives of the University and College Planning Association and other concerned associations to study the problem. On the basis of their suggestions, every effort will be made to improve the student employment situation.

3. The Canada student loans plan was introduced to help assist students to study full time without having to take time out during an academic year to earn a living. Part time

students who have a source of income do not require the same measure of assistance. The government therefore does not plan to bring in legislation to make part time students eligible. Loans, by the terms of the act, are authorized only to students in need of a loan in order to pursue their course of studies. Revised federal-provincial agreed criteria are in effect this year on the basis of which need is determined by the provinces. Indications are that they are effective in ensuring that funds are available to those who really need them, and no change is being contemplated to make it easier to obtain loans to those who do not really need assistance. Under the Canada student loans plan, no grants are involved.

C.B.C. PUBLICATIONS

Question No. 817—**Mr. MacLean:**

1. For each of the last five business years did the CBC Publications operate at a profit or a loss, and what was the profit or loss in each case?

2. What is the criteria for determining that certain CBC publications are not for sale outside Canada?

3. What is the gross sale of CBC publications for the last five years (a) total (b) outside Canada?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows:

1. C.B.C. information services produces a limited number of publications as a further use of C.B.C. broadcast material and these publications are sold at prices intended to recover costs of publication and distribution. In the last five fiscal years net revenues have been as follows: 1963-64, $1,818; 1964-65, $842; 1965-66, $26,873; 1966-67, $31,600; 1967-68, $14,479.

2. The C.B.C. tries whenever possible to purchase exclusive world publication rights to material. However, the option is always with the author to refuse to sell world rights and to limit the agreement to exclusive Canadian publication rights.

3. Gross revenue from the sale of C.B.C. publications for the last five fiscal years was $264,672. Sales records are not broken down as to points of origin.

R.C.M.P. IN ONTARIO

Question No. 823—**Mr. Matte:**

1. How many members of the RCMP were stationed in the Province of Ontario for each of the years from 1960 to 1968 inclusive?

2. In what areas are the various branches of the Royal Canadian Mounted Police working in the Province of Ontario and how many officers work in each area?

Hon. G. J. McIlraith (Solicitor General): 1.

	Headquarters*	Training*	Enforcement	Total
1960	483	172	621	1,276
1961	602	210	645	1,457
1962	643	175	751	1,569
1963	766	212	793	1,771
1964	726	167	778	1,671
1965	772	232	781	1,785
1966	806	165	787	1,758
1967	922	74	805	1,801
1968	1,038	131	900	2,069

*Headquarters and training personnel are stationed in Ottawa but are employed in the administration and training of the force for the whole of Canada and not for that part of the force only employed on law enforcement duties within the province of Ontario. Total—1,169.

2.

Belleville	3
Brockville	4
Chatham	4
Elliot Lake	3
Fort Erie	6
Fort Frances	2
Fort William	7
Goderich	2
Hamilton	27
Kapuskasing	2
Kenora	2
Kingston	12
Kirkland Lake	4
Kitchener	6
London	20
Long Sault	5
Malton	25
Moose Factory	2
Niagara Falls	18
Nipigon	1
North Bay	12
Orillia	4
**Ottawa	312
Owen Sound	3
Parry Sound	2
Pembroke	5
Peterborough	4
Sarnia	11
Sault Ste Marie	12
Simcoe	3
Sudbury	12
Timmins	7
Toronto	332
Windsor	26
Total	900

**Includes duties relating to federal government buildings and roadways.

Questions

PURCHASE OF NORTHERN SERVICE COMPANIES

Question No. 844—**Mr. Fortin:**

1. What amount was paid to the N.C.P.C. for the purchase of the assets of (a) Yukon Telephone Syndicate Ltd. (b) Dawson City Water and Power Co. Ltd. and (c) Dawson Electric Light and Power Co. Ltd.?

2. Were the shares or the assets of said companies purchased?

3. What was the book value of each of these companies at time of purchase?

4. What criteria were used to assess the price?

5. Were the former owners paid in cash or by interest bearing bonds?

6. Does the N.C.P.C. propose to buy other companies?

7. Has the N.C.P.C. loaned $32,000,000 to the Newfoundland Power Commission and does it intend to lend an equal amount to Hydro-Quebec and at a similar rate of interest?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The amount paid by N.C.P.C. for purchase of the Yukon Telephone Syndicate, Dawson Water and Power Co. Ltd., and the Dawson Electric Light Co. Ltd. was $336,505.00 which included $234,505 cash on hand, hence the net cost was $102,000.

2. The outstanding shares of the companies were purchased.

3. Book values of the three companies were as follows: (a) The Yukon Telephone Syndicate, Limited, $19,453.00; (b) The Dawson City Water & Power Co. Ltd.,—$88,419.00; (c) The Dawson Electric Light & Power Co. Ltd., $339,676.00; Total, $270,710.00.

4. The purchase price was based on the estimated value of the assets of the three companies for use in connection with construction and operation of a new power plant and electrical distribution system and renovation and operation of the water supply system serving the city of Dawson.

5. Cash.

6. The N.C.P.C. presently has no plans to purchase other companies.

7. As of November 30, 1968 the Federal Government has made loans, under the Atlantic Provinces Power Development Act, which has been administered by the Northern Canada Power Commission, to the Newfoundland and Labrador Power Commission, totalling $33,293,780. Because the application of the Atlantic Provinces Power Development Act is confined, by the terms of the Act, to the provinces of Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland, loans could not be made to Hydro-Quebec under the authority of that Act.

[Mr. McIlraith.]

PERPETUAL BONDS

Question No. 845—**Mr. Rynard:**

1. What is the total number of 3 percent perpetual bonds which are still to be redeemed?

2. What is the total number of 3 percent perpetual bonds still in the hands of the original owners?

3. Is the government considering, or has it set, a target date for the redemption of these bonds?

4. What is the purchasing value of the 1936 dollar in relation to the value of the dollar today?

Hon. E. J. Benson (Minister of Finance): 1. The total number of 3 per cent perpetual bonds still to be redeemed is 47,696, and the number currently outstanding in coupon form and fully registered form is 37,135 and 10,561 respectively. (The amounts outstanding in each form are $24,848,500 and $30,151,500 respectively.)

2. Because coupon bearer bonds pass by delivery it is not known how many coupon bonds are still in the hands of the original owners, but the number of fully registered bonds still in the hands of the original owners is 497 (with a value of $738,500).

3. No. Under the conditions of issue, these bonds, as the term perpetual bond implies, were given no maturity date although the government did reserve the option to redeem the bonds at par plus accrued interest upon 60 day's notice at any time on or after September 15, 1966. The last coupon on the bearer bond and the coupon registered bond certificates also became payable on September 15, 1966, the date when the government's option began. At that time the government issued new certificates to holders of these bonds with an additional supply of coupons attached thereto sufficient for the next 30 years. The perpetuals continue to have no maturity date.

4. On the basis of the consumer price index the purchasing power of the 1936 dollar would be about 39 cents today.

HALIFAX LEASE, COMPANY OF YOUNG CANADIANS

Question No. 857—**Mr. Coates:**

1. On what date did the Company of Young Canadians secure a lease from the Lord Nelson Hotel, Halifax, N.S., what was the period of the lease and what was the yearly rental for the space in question?

2. On what date does the lease expire and for what period of time did the Company of Young Canadians actually use the place rented or leased and did they endeavour to negotiate a lump sum settlement in lieu of using the space and, if so, what was the result of these negotiations?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. The Company of Young Canadians leased, through the Department of Public Works, 500 square feet net in the Lord Nelson hotel, Halifax, for a period of 5 years beginning August 16, 1966 at an annual rate of $2,640.00.

2. The lease between the Lord Nelson hotel and the Department of Public Works will expire August 15, 1971. The Company of Young Canadians used the offices from August 16, 1966 to September 1, 1967. The Department of Public Works was requested to sub-let the premises for the duration of the lease. It was not possible to negotiate a settlement of the lease in lieu of using the space. Efforts by the Department of Public Works, the Lord Nelson Hotel and the C.Y.C. are continuing to find a new tenant.

CANADA SAVINGS BONDS

Question No. 860—**Mr. Thompson (Red Deer):**

1. What was the total amount of sales of Canada Savings Bonds for the 1966-67, 1967-68 and the current 1968-69 issues (current issue to date)?

2. What was the amount of the Canada Savings Bonds issue in each of the above periods?

Hon. E. J. Benson (Minister of Finance): 1. Total sales of Canada savings bonds were as follows: Centennial series Oct. 1/66 to Sept. 30/67, $2,422 million; 1967/68 series Oct. 1/67 to Sept. 30/68, $1,526 million; 1968/69 series Oct. 1/68 to Nov. 30/68, $3,219 million.

2. The total amount of Canada savings bonds outstanding at each of the above dates was as follows: September 30, 1967, $5,779 million; September 30, 1968, $5,575 million; November 30, 1968, $6,462 million.

NATIONAL GALLERY EXHIBITIONS

Question No. 863—**Mr. Caouette:**

1. What was the cost of organizing the National Gallery's exhibition "300 years of Canadian Art" from May 12 to September 17, 1967?

2. What will be the cost of the Jordaens exhibition from November 30, 1968 to January 5, 1969?

3. Will the French catalogue for the Jordaens exhibition appear at the same time as the English version and, if not, for what reason?

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Museums Corporation as follows: 1. $25,193.00.

2. The cost of the Jordaens exhibition is estimated at $147,000.

3. No. The original text was in English and did not arrive on agreed date. Translation was delayed. Editing was exacting and therefore slow. Finally there were production difficulties since there is a limited amount of the type face (Juliana) available in North America so that only one printer could undertake the production.

SATELLITE LAUNCHING CAPABILITY

Question No. 877—**Mr. Schreyer:**

1. Does Canada intend to develop a launching capability and actual launching rocket in order to launch its domestic communications satellite?

2. If not, is it the intention to seek competitive bids from such other countries that can provide this?

3. If not, for what reason?

Hon. Eric W. Kierans (Postmaster General): In so far as telecommunications is concerned: 1. No. The white paper on "A Domestic Satellite Communication System for Canada" gives the reasons why it does not appear feasible for Canada to carry out a development program which could lead to a launching facility being available by the probable time a first launch is required.

2. The white paper states that it appears necessary for Canada to negotiate with other countries to purchase the required launching services for the initial system; and that it is the intention of the government to investigate the potential sources of supply of launch services.

3. Not applicable.

MARINA MOTEL, SMITHS FALLS, ONT.

Question No. 881—**Mr. Nesbitt:**

1. When does the present government lease on the premises known as the "Marina Motel" at Smiths Falls, Ontario, terminate?

2. Does the government possess an option to renew this lease and, if so, under what terms?

3. Has the ownership for the "Marina Motel" changed during the last six months and, if so, who is the new owner?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. June 27, 1969.

2. No formal option has been arranged

Questions

3. Yes—Anglo Canadian Hotel, Management Corporation Limited, 825 Eglinton Avenue West, Toronto 10, Ontario.

R.C.M.P. IN QUEBEC

Question No. 894—**Mr. Godin:**

1. In what cities of the Province of Quebec was the establishment of the RCMP increased?

2. In each of those cities what was the number of RCMP officers on duty in 1960?

3. What is that number today?

Hon. G. J. McIlraith (Solicitor General): 1. Montreal, Quebec city, Dorval, Joliette, St. Jerome, Chicoutimi, Roberval, Trois-Rivieres, Rimouski, Riviere-du-Loup, Sept. Iles, Noranda.

2. Montreal, 257; Quebec city, 26; Dorval, 2; Joliette, 2; St. Jerome, 2; Chicoutimi, 3; Roberval, 3; Trois-Rivieres, 6; Rimouski, 3; Riviere-du-Loup, 3; Sept-Iles, 4; Noranda, 2.

3. Montreal, 520; Quebec city, 45; Dorval, 19; Joliette, 3; St. Jerome, 6; Chicoutimi, 4; Roberval, 4; Trois-Rivieres, 14; Rimouski, 4; Riviere-du-Loup, 4; Sept-Iles, 7; Noranda, 3.

PAYMENT OF INDIAN CHIEFS

Question No. 896—**Mr. Godin:**

1. Are some Indian reserve chiefs paid by the government?

2. If so, under what terms?

3. How many such Indian chiefs are there in Canada and in the province of Quebec?

4. What monthly amount does each receive?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Chiefs of Indian bands are not paid by the department to carry out their duties as chief.

2. Not applicable.

3. Not applicable.

4. Not applicable.

PRESS RELEASES, SECRETARY OF STATE

Question No. 906—**Mr. Howard (Skeena):**

1. Does the Department of the Secretary of State of Canada 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. Gérard Pelletier (Secretary of State): 1. Since July 1, 1968, nine press releases have been issued in both official languages.

2. (a) $131.04; (b) $35.00; (c) $56.58; (d) $171.51; (e) $100.00 (approximate).

3. (a) No. 7 bond white; (b) 25,000 sheets at a cost of $49.50.

4. 150.

TRANS-CANADA HIGHWAY, QUEBEC

Question No. 911—**Mr. Godin:**

1. In connection with the construction of the Trans-Canada Highway in the Province of Quebec, did the federal government make a uniform contribution in all regions?

2. If the federal government's contribution varied between regions, what are the boundaries of each region and what proportion was paid by the federal government in each case?

3. How many miles of the Trans-Canada Highway have been built to date in the Province of Quebec and how much has the federal government contributed toward this highway?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. In the Montreal region, from the West end of Isle-aux-Tourtes bridge to the South end of Lafontaine bridge-tunnel, Canada's contribution is 90% of a two lane highway equivalent. Canada's contribution for the remaining section of the highway is 50% of the two lane highway equivalent.

3. To date, 184.7 miles of the highway are completed to pavement, and another 42.8 miles are under construction. The total of Canada's contribution toward Trans-Canada Highway in the Province of Quebec to date is $153,509,575.39.

[*English*]

WHARF CONSTRUCTION, PINKNEY'S POINT, N.S.

Question No. 915—**Mr. Comeau:**

What companies bid for the contract to reconstruct a wharf at Pinkney's Point, N.S. and what were the amounts of these bids?

Hon. Arthur Laing (Minister of Public Works): Leonard W. Shaw Sandforth, Yarmouth Co., N.S., $58,828; Bernard & Gerard Lombard Ltd., Corberrie, Digby Co., N.S., $59,990; B & M Comeau Construction Co.

Ltd., Little Brook, Digby Co., N.S., $62,992; L. G. & M. H. Smith Ltd., 2700 Oxford Street, Halifax, N.S., $63,983; Mosher & Rawding Ltd., P.O. Box 999, Liverpool, N.S., $71,645; Aberdeen Paving Ltd., Hammonds Plain Road, Bedford, N.S., $81,705.

INVESTIGATION OF ARTIFICIAL SWEETENER

Question No. 916—**Mr. Woolliams:**

1. Has the Food and Drug Administration investigated a chemical known as "cyclamates" which is used to sweeten diet drinks for children and adults?

2. If there has been an investigation, what was the result of the same, and is it still being permitted to be used in Canada for the purpose of sweetening diet drinks in question?

3. Have diet drinks which are imported been tested for this chemical?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Investigations on the cyclamates have been under way in the research laboratories of the food and drug directorate, Department of National Health and Welfare, for several years. Officers of the Directorate also are fully aware of research and investigation on the cyclamates carried out in various other countries.

2. The studies carried out in the food and drug directorate can be summarized as follows: Subcutaneous injection of cyclamate had no effect on the health of rats. Addition of 1 per cent of cyclamate to a nutritionally adequate diet for rats had no effect on health or performance, but 5 per cent produced loose stools. When 1 per cent cyclamate was added to a low-protein diet for rats, weight gains were reduced. Cyclamate had no effect on the absorption and excretion of the vitamins riboflavin and thiamine in human subjects. The food and drug regulations permit the addition of cyclamates to carbohydrate or calorie-reduced dietetic foods, including so-called diet soft drinks.

3. No.

TRANSPORTATION OF SICK INDIANS

Question No. 930—**Mr. Muir (Cape Breton-The Sydneys):**

1. (a) Does the federal government pay all or any part of the cost involved in transporting sick or injured Indians, residents of recognized reserves, to hospitals or other places of treatment (b) in this regard, does the federal government make any distinction between cases requiring urgent or emergency medical assistance and those involving medical examination or consultation (c) if such a distinction is made, upon what grounds?

Questions

2. (a) In what instances, if any, are Indian residents of the Eskasoni Reserve in Nova Scotia entitled to federal assistance in connection with transportation to hospitals or other treatment centres and to what degree of assistance (b) in respect of the above, are sick or injured Indians of the Eskasoni Reserve limited as to the hospitals or other treatment centres they may go to for medical assistance and, if so, what are they and where are they located (c) are Indian residents of the Whycocomagh Reserve, Inverness County, Nova Scotia, in the same position as those of the Eskasoni Reserve in regard to assisted transportation of the sick or injured (d) to what hospitals or other centres of medical treatment are Indian residents of the Whycocomagh Reserve directed when medical assistance is required that is not available on the reserve (e) were Indian residents of the Whycocomagh Reserve ever consulted, or was the Band Council consulted, as to their preference in regard to hospitals or other treatment centres before being directed by the government to such places (f) was St. Mary's Hospital, Inverness, excluded from the list of hospitals and other treatment centres to which Indians of the Whycocomagh Reserve were directed by the government (g) if so, why, and upon what date was such direction effective?

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) Yes; (b) Yes; (c) The nature of the illness.

2. (a) Assistance is provided for: Transportation required for emergency cases where the need for a properly equipped ambulance is indicated, transportation required for investigation or treatment requested by public health agencies, transportation required when referred by an attending physician to a major medical centre, transportation required for transfers between hospitals for specialist treatment, transportation required for treatment at the discretion of the attending physician from a reserve to a distant hospital when the local hospital lacks the facilities to care for the specific case; (b) Yes. The primary treatment centre is the medical services clinic in Sydney, staffed by two fulltime medical officers, who also hold clinics on the reserve. Hospitalization is at either Sydney hospital, or Halifax if required; (c) Yes; (d) Usually those at Baddeck or Inverness; when specialized care is required, Sydney and/or Halifax; (e) Yes; (f) No; (g) Not applicable.

TRAINING OF PENITENTIARY WARDENS

Question No. 949—**Mr. Caouette:**

Have wardens or other supervising officials in the penitentiaries of Canada been required since 1965 to follow training courses after being hired and, if so (a) what does their training consist of (b) in what language are the courses given?

Questions

[*Translation*]

Hon. G. J. McIlraith (Solicitor General): Correctional officers or other officers detailed for custodial duties in the penitentiaries of Canada have, since 1964, been required to undertake a nine (9) week training course at one of the three Correctional Staff Colleges operated by the Canadian Penitentiary Service. Successful completion of the course is a prerequisite to employment in the Canadian Penitentiary Service.

(a) The training consists of:

Topic	Periods
Organization of the Canadian Penitentiary Service	31
Introduction to Correctional Work	92
Behavioural Science Training	52
Weapons Training	32
Emergency Control—Fire, Power Failure	16
Physical Training	26
Self-Defence	26
Administration and Review Periods	50

(b) Courses conducted at the Correctional Staff College (Quebec) are given in the French language. Courses conducted at the other two Colleges in Ontario and British Columbia are given in the English language.

[*English*]

TIMBER HOLDINGS, GLACIER NATIONAL PARK

Question No. 957—**Mr. Harding:**

1. How many private timber holdings are there in Glacier National Park, who is the registered owner of each holding and what is the acreage involved in each?

2. Does the Trans-Canada Highway in Glacier National Park cut through any of the private timber holdings?

3. Is the federal government currently negotiating to purchase the private timber holdings in Glacier National Park and, if so, when are the negotiations likely to be concluded?

4. Are there any privately held mineral claims in Glacier National Park and, if so, how many claims are held, who is the registered owner of each and what is the acreage involved in each case?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) There are six timber berths in Glacier national park; (b) Ownership of the cutting rights and acreage of each are: Timber berth 40, 3,789 acres; Timber berth 328, 1,280 acres; Timber berth 329, 1,683 acres; Timber berth 292, 4,000 acres; Timber berth 342, 7,603 acres; the above timber berths are held by Kicking Horse Forest Products Ltd. of Golden, B.C.; Timber berth 117, 2,029 acres; the above timber berth is held by Selkirk Spruce Mills Ltd. of Donald, B.C.

2. Yes. Timber berths 40 and 117.

3 (a) Yes; (b) It is not known at this time when negotiations are likely to be concluded.

4. (a) Yes; (b) Two. "Round Hill" claim—20.66 acres, owned by Mr. Otto A. Woolsey, Kelowna, B.C.; "Elizabeth" claim—approximately 25 acres, owned by Mr. B. C. McCorkell of Vancouver.

[Mr. Caouette.]

*MINISTERIAL CODE OF ETHICS

Question No. 959—**Mr. MacInnis (Cape Breton-East Richmond):**

Is the code of ethics issued by the former Prime Minister to his colleagues on November 30, 1964, still a matter of government policy?

Right Hon. P.-E. Trudeau (Prime Minister): The so-called code of ethics was not a matter of government policy.

An hon. Member: You don't have one.

Mr. Hees: Explain.

Mr. Trudeau: It took the form of a letter from the former prime minister to the members of his cabinet as to the standards that he, as prime minister, wished to have observed by those he had appointed as ministers, as well as by their staffs. Shortly after the present government took office I drew the attention of my colleagues to the letter and associated myself with the standards it described.

EXTENSION OF HARBOUR FACILITIES, ST. JOHN'S, NFLD.

Question No. 960—**Mr. Carter:**

Does the government have any plans to extend its facilities in St. John's (Newfoundland) harbour and, if so, when will work commence?

Hon. Paul Hellyer (Minister of Transport): Pursuant to the provisions of the National Harbours Board Act and the Financial Administration Act, the budget of the board has been submitted to the government for approval of 1969 capital expenditures, and on approval details will be available of proposed works at national harbours, including St. John's harbour.

OIL IMPORTS AND EXPORTS

Question No. 961—**Mr. Harding:**

1. From what countries and in what volume was oil imported in the years 1961 to 1967 inclusive?

2. To what countries and in what volume was Canadian oil sold in the years 1961 to 1967 inclusive?

3. In the years 1961 to 1967 inclusive, what was the total value of Canadian oil (a) imports (b) exports?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1, 2 and 3. The total volume and value of imports and exports of "crude petroleum" for the years 1961 to 1967 are given in the attached table. Full details of imports of "crude petroleum" by countries can be obtained from the December issues of the Dominion Bureau of Statistics publication "Trade of Canada, Imports by Commodities" (catalogue number 65-007) 1961 to 1967, commodity class 7153 for the years 1961 to 1963 and commodity class 264-10 for the years 1964 to 1967, which are available for reference in all public libraries and in the parliamentary library.

CANADA'S IMPORTS AND EXPORTS OF "CRUDE PETROLEUM" FOR THE YEARS 1961 TO 1967

	Imports			Exports			
Year	Commodity Class	Total Quantity	Total Value	Commodity Class	Country	Total Quantity	Total Value
		bbl.	$'000			bbl.	$'000
1961.....	7153	133,249,113	291,170	264-10	United States	64,146,897[r]	152,334[r]
1962.....	7153	134,517,707	304,898	264-10	"	91,580,232	232,497
1963.....	7153	147,720,870	334,761	264-10	"	90,875,816	233,867
1964.....	264-10	143,530,957	320,637	264-10	"	101,258,926	262,023
1965.....	264-10	144,184,281	312,259	264-10	"	108,010,297	279,956
1966.....	264-10	146,076,898	299,001	264-10	"	123,691,342	321,681
1967.....	264-10	170,418,463[r]	355,416[r]	264-10	"	150,344,567	397,875
Totals.....		1,019,698,289	2,218,142			729,908,077	1,880,233

[r] Revised figures.

PAYMENTS TO QUEBEC UNDER STUDENTS' LOANS ACT

Question No. 976—**Mr. Rodrigue:**

What amounts were paid to the Province of Quebec under the Canadian Students' Loans Act (c. 24, Statutes of 1964-5) for the years 1964, 1965, 1966, 1967?

Hon. E. J. Benson (Minister of Finance): Loan year 1964-65, $74,262, paid in fiscal year 1965-66; loan year 1965-66, $757,448; paid in fiscal year 1966-67; loan year 1966-67, $1,230,572, paid in fiscal year 1967-68; loan year 1967-68, $2,402,552, paid in fiscal year 1968-69.

GRANT FOR BATHROOM RESEARCH

Question No. 989—**Mr. McCleave:**

1. Did Central Mortgage and Housing Corporation recently grant approximately $75,000 to Crane Canada Limited for bathroom and plastic research?

2. Were other firms considered and on what basis was the Crane company chosen?

3. Did the Crane company initiate the proposal for such research?

4. Will the results of the research be made public?

5. Will the achievements arising from the research become public property and available to Crane's competitors?

6. Can companies in competition with Crane make requests for similar grants and will such be seriously considered?

Hon. Paul Hellyer (Minister of Transport): 1. Yes.

2. After several years of discussion with various companies in both Canada and the United States to encourage research and development in this area, Crane Canada Limited submitted a proposal. Some of the companies involved, besides Crane Canada Limited, were American Standards Limited, Dupont of Canada Limited and Naugatuck Chemicals Limited as well as scientists from universities and government departments.

3. As explained in answer 2, above, Crane Canada Limited was the only party of all those approached to submit a proposal.

4. Yes.

5. The benefits of this research will accrue to the public of Canada, and if there are positive results and they are not pursued, Central Mortgage and Housing Corporation has maintained the right to pursue or encourage the development of further work based on the results from this program which will benefit the people of Canada as well as Crane Canada Limited and other Canadian companies.

6. Yes. If any company can develop a sound reasonable proposal for research and development that will lead to better housing or products for housing for Canadians, financial support under the National Housing Act can be obtained.

INSPECTION OF SEED POTATOES

Question No. 995—**Mr. McQuaid:**

1. Does the government propose to charge a fee for the inspection of all seed potatoes entered for certification?

2. If so (a) when will this new rule commence (b) what will be the fee charged (c) who will be responsible for the collection of the fee (d) when will the fee be collected (e) will a farmer be refused inspection if he cannot pay the fee?

Hon. H. A. Olson (Minister of Agriculture): 1. The assessment of fees for services provided by the department is under review and should a decision be made to charge a fee for seed potato certification an announcement will be made outlining all conditions.

2. See answer to 1.

*IMMIGRATION APPEALS FROM WEST OF OTTAWA

Question No. 999—**Mr. Haidasz:**

1. How many applications to the Immigration Appeal Board have been received from points West of Ottawa?

2. How many applications were received from Metropolitan Toronto?

3. When will an Immigration Appeal Board Court be established in Toronto?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The answer to the first part of the question is that 823 appeals have been received from points west of Ottawa.

The answer to the second part of the question is that there are no available statistics relative to appeals received from metropolitan Toronto. However, 588 were received from the province of Ontario.

[Mr. Hellyer.]

The answer to the third part of the question is that the establishment of an immigration appeal board in Toronto is dependent upon the results of the current experimental extension project put in operation in Montreal last October.

*IMMIGRATION APPEALS FROM EAST OF OTTAWA

Question No. 1,000—**Mr. Haidasz:**

1. How many applications to the Immigration Appeal Board have been received from points East of Ottawa?

2. How many applications have been received from the Montreal area?

3. Is there an Immigration Appeal Board Court hearing cases in Montreal?

4. Who are the members of the Immigration Appeal Board Court sitting in Montreal?

5. Are any of these members permanently assigned to Montreal?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The answer to the first part of the question is that 351 appeals have been received from points east of Ottawa.

The answer to the second part of the question is that there are no available statistics relative to appeals received from the Montreal area. However, 315 appeals were received from the province of Quebec.

The answer to the third part of the question is that there is an immigration appeal board hearing cases in Montreal, which was established on an experimental basis.

The answer to the fourth part of the question is that Mr. J.-P. Geoffroy, vice chairman, is sitting in Montreal assisted by two members who travel to Montreal from Ottawa when the board is in session.

The answer to the fifth part of the question is that no members have been permanently assigned to Montreal.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BOARDS OF MANAGEMENT OF CROWN CORPORATIONS

Question No. 424—**Mr. Fortin:**

1. For each of the Crown corporations called proprietary corporations within the meaning of the Financial Administration Act, who are the members of the board of management (i.e. vice-president, secretary, treasurer)?

2. Among the members of the board of management, how many (a) speak French only (b) speak English only (c) are bilingual?

3. By whom are the members of the board of management appointed, for what term and at what salary?

Return tabled.

PURCHASING POLICY OF CROWN CORPORATIONS

Question No. 603—**Mr. Fortin:**

1. During the last fiscal year, how much was purchased by each of the so-called proprietary corporations, as defined in the Financial Administration Act?

2. For each of these corporations, what is the proportion of purchases (a) of Canadian products (b) of foreign products?

3. Do these corporations have a purchasing policy which gives preference to Canadian firms and, if so, what is the exact nature of this purchasing policy?

4. If Crown corporations do not have a purchasing policy, does the government intend to issue a directive to give preference to Canadian business and purchase Canadian products?

5. Does the government intend to introduce legislation similar to the "Buy American Act"?

Return tabled.

RESEARCH INTO AIR SUPPORTED POLYDOMES

Question No. 801—**Mr. Diefenbaker:**

1. What is the attitude of the government toward research into the feasibility and construction of air-supported polydome structures?

2. Have any funds been earmarked by the government for research and construction in this experimental field?

3. If so, what is the amount, and how is it being expended?

4. If not, what steps does the government plan to take in regard to development of structures of this type?

Return tabled.

VALUE FOR DUTY ON U.S. CORN

Question No. 842—**Mr. Danforth:**

1. Was added value for duty on American commercial corn entering Canada a government decision or was it by negotiation with the U.S. authorities?

2. If by agreement rather than government action, was compensation granted to the U.S. and, if so, in what form?

3. Was it possible for the Canadian Government to apply fair value for duty under existing legislation without negotiation or compensation?

4. Was the imposition of recent increases in American rates of duty on Canadian cut-flowers entering the U.S. by agreement or negotiation with Canadian authorities and, if so, was compensation granted to Canada at the time?

Return tabled.

BONDED DEBT OF ALL GOVERNMENTS

Question No. 944—**Mr. MacLean:**

1. Since 1900, at approximately five-year intervals, what are the figures for the bonded net debt, less sinking funds, of the federal government?

2. Since 1927, at approximately five-year intervals, what was the bonded net debt, less sinking funds of (a) each of the provinces (b) the aggregate for all other levels of government in Canada, including school boards, where figures are available?

3. What is the estimated aggregate personal debt of all Canadians for the date at which the latest figures are available, and back over the last twenty years at approximately five-year intervals?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for production of papers Nos. 4 and 52 are agreeable to the government.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am rising to inquire about a motion for the production of papers. Is this the proper place to do so? On October 30 this house passed an order for the production of papers which I had requested under motion No. 17, concerning the British Columbia hydro rail route from the Matsqui area to Roberts Bank. Nothing happened by November 22, so on that date I asked the President of the Privy Council when these papers would become available. He said he would be glad to look into it. I should like to ask now whether he has looked into it, or whether perhaps the Minister of Transport or somebody else in the cabinet has looked into this matter.

Hon. Donald S. Macdonald (President of the Privy Council): Consultations are now under way, Mr. Speaker.

Mrs. MacInnis (Vancouver-Kingsway): May I put the same question to the Minister of Transport, then. Is he the proper minister to ask?

Hon. Paul Hellyer (Minister of Transport): I think so, Mr. Speaker. I am not quite sure of the reason for the delay, but I am willing to find out as quickly as I can.

Mrs. MacInnis (Vancouver-Kingsway): Could the minister find out before Christmas?

Motions for Papers

Mr. Hellyer: I think so, Mr. Speaker, if the opposition do not throw my officials out of the gallery. They are keeping tabs on these things. I will find out and let my hon. friend know as soon as possible.

[*Translation*]

Mr. Forest: Mr. Speaker, notice of motion No. 37 is agreeable to the government subject to the usual reservations concerning privileged papers and authorization of the government authorities concerned.

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

[*English*]

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I presume that if it was in order for the hon. lady to introduce the subject which she did, I could have a moment on a similar subject.

Mr. Speaker: The hon. member may have a moment.

Mr. Peddle: Thank you very much, Mr. Speaker. You will never know how much I appreciate this.

• (3:00 p.m.)

On September 20, Mr. Speaker—that was 89 days ago and a few days after the opening of this parliament—I caused to be placed on the order paper of this house notice of motion for the production of papers No. 8. On the same date about which the hon. lady complains, October 30, according to *Hansard* my motion was agreed to by the government. I have made a number of inquiries since, as the hon. lady has, but nothing has been acknowledged. I suggest that during the time which has elapsed I could have obtained similar information from the government of the supreme Soviet.

C.N.R. PAYMENTS IN LIEU OF MUNICIPAL TAXES

Motion No. 4—**Mr. McCleave:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the Order in Council or other document setting out the authorization and terms under which the Canadian National Railways will make payments to municipalities in lieu of taxes.

Motion agreed to.

[Mrs. MacInnis (Vancouver-Kingsway).]

ADULT OCCUPATIONAL TRAINING, SASKATCHEWAN

Motion No. 37—**Mr. Burton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of any agreements between the Government of Canada and the Government of Saskatchewan with respect to the occupational training of adults.

Motion agreed to.

LETTER FROM C.R.T.C. TO RADIO STATIONS

Motion No. 52—**Mr. McCleave:**

That an Order of the House do issue for a copy of the letter sent to Mr. Lorne Mahoney of the Canadian Radio-Television Commission on or about November 27th to radio stations.

Motion agreed to.

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to take advantage of the visit to the House of Commons by the Minister of Transport to ask him a question about the Toronto international airport, to follow up information which I sought from the Minister without Portfolio some time ago. Has the minister received from the province of Ontario any communication arising out of a recent meeting between municipal officials from the area concerned and members of the provincial government on that subject? Can the minister give us the substance of any such communication?

Hon. Paul Hellyer (Minister of Transport): There have been discussions between the two governments as late as yesterday. I hope to be in a position to make an announcement later this week.

Hon. George Hees (Prince Edward-Hastings): May I ask a supplementary question. I wonder if the minister or his department have considered the suggestion I presented a short time ago, that consideration be given to locating the international airport between Toronto and Montreal because of the congestion in those two cities, and specifically if the area south of Picton could be given serious consideration.

Mr. Stanfield: May I ask a supplementary question?

Mr. Speaker: Is the Leader of the Opposition asking a question supplementary to his own question?

Mr. Stanfield: Supplementary to my own question, Mr. Speaker, and not supplementary to the question asked by my colleague. I wonder whether the Minister of Transport or his minister have consulted with the Ontario municipal board with regard to the zoning restrictions currently in force on the land the department is considering expropriating?

Mr. Hellyer: Yes, Mr. Speaker; it was the minister of municipal affairs with whom I was talking yesterday.

VOCATIONAL AND TECHNICAL TRAINING

PAYMENT OF SUBSISTENCE ALLOWANCES DURING HOLIDAY SEASON

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Minister of Manpower and Immigration arising out of a matter that has been drawn to his attention previously. Will the minister inform the house what success he has had in getting vocational training schools to remain open to continue their work during the period between Christmas and New Year's, so the trainees may continue to receive their allowances during that period?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): We have had considerable success, Mr. Speaker. I think in the vast majority of cases trainees will be able to continue their courses during the holiday period. I will make an up to date check and advise my hon. friend later in the week.

Mr. Lewis: I assume from the minister's answer there are some cases where this will not happen. I should like to ask the minister whether he is intending to pay allowances to trainees who are kept out of school by the closing of schools, or to make some other arrangement so the trainees who are totally dependent on their allowances are not put to considerable hardship during this period.

Mr. MacEachen: Mr. Speaker, as my hon. friend realizes, the solution to this problem is to encourage the provision of instruction during the holiday period. We have suggested to the provinces that we would accept tutoring or classroom instruction aside from the regular instruction during this period. We are not permitted under the law to pay trainees allowances unless the trainees are in classes. We are permitted to pay allowances on statutory holidays, which we propose to do. The real solution to the problem is to encourage instruction during the holiday period.

Mr. Lewis: That is what I meant by "other arrangements".

Mr. A. P. Gleave (Saskatoon-Biggar): A supplementary question, Mr. Speaker. Surely some means can be found to avoid the real hardship that is going to be involved in some cases—

Mr. Speaker: Order, please. The hon. member's supplementary question is argumentative.

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST FOR INCREASED MILK QUOTAS

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the honourable Minister of Agriculture.

In view of the many representations made by farmers in my riding with a view to an increased dairy quota, which is now set at 300,000 lbs, would the minister tell the house if he intends to accede to these requests?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): I believe a meeting was held on December 2, Mr. Speaker, with the people from across Canada who advise the department on dairy policy. We do not intend to change quotas between now and the beginning of the new dairy year on April 1, 1969. However, in keeping with the recommendations that have been made, the new dairy policy in the new year may not be exactly the same as it has been during the past year.

POST OFFICE DEPARTMENT

REQUEST FOR REVIEW OF INCREASED RATES

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): My question is for the Postmaster General. In light of the sharp decrease across the country in the mailing of Christmas cards under the 5 cent postage rate, which might be an illustration of the law of diminishing returns, is the minister now reappraising the value of this postal rate hike in pursuit of a balanced post office budget?

Inquiries of the Ministry

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I too receive Christmas cards. Last night I received one which said "Dear Eric: I think of you with every Christmas card I write". The actual volume of Christmas mail varies with the actual day of the week on which Christmas falls. It is far too early to say there will be a 20 per cent drop, or indeed any drop. It is true that up to the day before yesterday the actual volume that had gone through post offices had dropped. However, Christmas comes in the middle of next week and people may be delaying the mailing of cards.

On the other hand we have other evidence that the actual sale of stamps, including 6 cent stamps, has gone up considerably, while the sale of 5 cent stamps has held even. It is impossible for me to tell at this time what the situation will be. In addition I am quite curious, for example, to compare the results in last November with this November—

Mr. Speaker: Order, please. I think if the minister wishes to go into details he will have to ask leave to return to motions.

Mr. Macquarrie: I have a supplementary question which relates to another possible miscalculation. May I ask the minister if steps are being taken to repair or cure—I don't know which word is correct—the computer which allegedly is responsible for short-changing many of his employees in their pay cheques?

Mr. Kierans: Mr. Speaker, I could answer this question—

Mr. Speaker: Order, please. I have to call on the hon. member for Edmonton West.

FINANCE

INCREASE IN BANK OF CANADA INTEREST RATE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is for the Minister of Finance. Was the increase of one half of one per cent in the bank rate announced by the governor of the bank of Canada yesterday tied in in any way with the visit of the Secretary of the Treasury of the United States? Were any arrangeements made by the Canadian government and the United States government?

Hon. E. J. Benson (Minister of Finance): In no way, Mr. Speaker.

[Mr. Macquarrie.]

Mr. Walter C. Carter (St. John's West): May I ask a supplementary question of the Minister of Finance. Yesterday I directed a question to the Minister of Transport which I have since learned should have been directed to the Minister of Finance. Will the minister inform the house if it is contemplated that the interest rate under the National Housing Act will be increased from the current 8¾ per cent to a new rate of 9¼ per cent?

Mr. Benson: As my hon. friend knows, Mr. Speaker, there are automatic adjustments to the N.H.A. rate, depending on the long term borrowing rate of the government.

TRADE

WHEAT—REQUEST FOR REPORT ON NEGOTIATIONS WITH RUSSIA

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): I should like to direct a question to the Minister of Industry, Trade and Commerce. Can the minister now inform the house the results of the recent visit to Moscow by officials of the wheat board concerning wheat sales to the Soviet union?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have been advised by the Canadian Wheat Board that they have had preliminary discussions in Moscow concerning the quantities that remain to be purchased by the U.S.S.R. under the long term agreement signed in 1966. These discussions will be resumed shortly.

Mr. Paul Yewchuck (Athabasca): A supplementary question to the Secretary of State for External Affairs. My question pertains to the announcement made by—

Mr. Diefenbaker: Mr. Speaker, I was rising to ask a supplementary question.

Mr. Speaker: Order. I understand the hon. member for Athabasca has a supplementary question.

Mr. Yewchuk: Thank you, Mr. Speaker. I was saying that my question pertains to the announcement by the Canadian International Development Agency that Canada is making a gift of wheat to India. Could the hon. gentleman assure the house that India has been consulted and is prepared to receive and will not reject this gift of wheat when it arrives?

Mr. Speaker: Order, please.

GRAIN

ACREAGE PAYMENTS TO ASSIST IN PURCHASE OF DRYING EQUIPMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to get up to date now that both the Minister of Industry, Trade and Commerce and the Minister of Agriculture, these peripatetic ministers of the government, are present in the chamber. May I ask the minister of trade and commerce whether, in view of the fact that it is estimated that the cost of drying some 300 million bushels of wheat will be approximately $30 million and that only one third of the damp wheat will be dried by May 1 unless action is taken, consideration is being given to the provision of something in the nature of acreage payments, so that the farmers will be able to finance themselves, in part, to purchase these $10,000 machines?

On the other hand—

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

Mr. Diefenbaker: Mr. Speaker, we see these ministers so seldom that naturally there is an accumulation of questions. Possibly the minister would be able to give the house something today other than a smile, so the western farmers will know what the government is planning to do.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, several policies have been announced which, I suggest to the right hon. gentleman, are far more effective in getting grain dried than would be acreage payments —for example, doubling cash advances, and doubling the capacity of the grain dryer at the Saskatoon terminal elevator. The co-operation we have had from the grain industry and the provincial departments of agriculture indicates that everything reasonable that can be done is being done.

Mr. Diefenbaker: Does the minister accept the view that at the present rate of drying only one third of the wheat that is wet or damp will be dried by May 1? Would the minister also tell the house how many bushels a day are being dried at the elevator now that the capacity of the Saskatoon elevator has been increased?

Mr. Olson: At the present time the capacity at the Saskatoon terminal is about 1,000 bushels an hour, and twice that is 2,000 bushels an hour.

Mr. Ed Schreyer (Selkirk): A supplementary question to the Minister of Agriculture. The minister is aware that some of the governments of the prairie provinces have been undertaking a program to assist farmers in the drying of grain on farm or at country elevators. May I ask the minister whether the federal government has any program in mind to assist the provincial governments in any on-farm grain drying efforts?

Mr. Olson: Yes, Mr. Speaker. Discussions have been held between officers of my department and the provincial departments of agriculture, and I think also officials of the Canadian Wheat Board, in regard to further assistance that may be useful. These discussions have been going on for a long time. So far as specific proposals are concerned, these have been made known to the various communities. I could go over the list but it is rather long.

INDIAN AFFAIRS

REQUEST FOR STATEMENT ON "INDIANS AND THE LAW"

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister without Portfolio, the hon. member for Port Arthur, in his capacity as the real minister of Indian affairs. May I ask him whether before Friday, which appears to be the last day on which we will be here, he will make a statement on motions as to the position of the government with respect to the document "Indians and the Law" which was prepared in August, 1967.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, without accepting the premise contained in the hon. member's comments, I will give that matter consideration.

SUGAR

INQUIRY AS TO SIGNING OF INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. On October 25 he advised the house that the government had accepted the text of a new sugar agreement that had been adopted by the United Nations sugar conference. I should like to ask the minister whether Canada has signed this international sugar agreement.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the cabi-

net approved the international sugar agreement yesterday, and the signing normally will follow.

TELEVISION

EDMONTON—APPLICATION FOR TEMPORARY EDUCATIONAL BROADCASTING LICENCE

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to direct this question to the Secretary of State. Arising from the undertaking of the minister on October 29 to reply before November 30 to the application of the Metropolitan Edmonton Educational Television Association for a temporary broadcasting licence, will the minister say whether a decision has been reached and, if so, what it is and whether it has been communicated to the interested parties?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, unless my memory fails me seriously, I have never promised that a decision would be reached before November 30, if I understood correctly. The dates of the hon. member do not coincide with mine, or else there is an error in the transcription because, according to the calendar we set up, we intend to settle the matter before January 30, if possible.

[*English*]

Mr. Paproski: Mr. Speaker, I had a little trouble in getting instant translation of the minister's reply, and I was wondering whether the dates he mentioned were the dates he gave one of his colleagues on the other side of the house who represents one of the other constituencies in Edmonton. I should like to ask a supplementary question. Will the minister say whether one of the problems in reaching a decision is that the government considers MEETA a provincial agency, which would therefore make it ineligible for a broadcasting licence?

[*Translation*]

Mr. Pelletier: No, Mr. Speaker, under the present circumstances, that objection does not in any way interfere with our plans.

[*English*]

CANADIAN BROADCASTING CORPORATION

APPEARANCE OF SIR OSWALD MOSLEY ON TELEVISION PROGRAM

On the orders of the day:

Mr. Barney Danson (York North): Mr. Speaker, I have a question for the Secretary of State. While fully understanding the need for the greatest possible latitude in the preservation of free speech, could the Secretary of State enlighten the house on the Canadian Broadcasting Corporation action which allowed Sir Oswald Mosley to appear on the program "Front Page Challenge" last Monday night to disseminate repugnant propaganda, presumably having paid him to come here to do so?

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the opinions expressed recently in various parts of the country by economists, summed up by the headline in the *Globe and Mail* for Friday, December 13 which read "Accelerating price rises show pressure of inflation returning"—

Mr. Speaker: Order. The hon. member should not make a speech but ask a question.

Mr. Hees: As has been said, Mr. Speaker, you have to give these ministers a lot of background information. My question is this. In view of these facts, does the government intend to continue to rely on the measures contained in the budget to control the rising cost of living and inflation, or can we expect some new initiative to be presented in the near future?

Mr. Speaker: I doubt whether the question should be allowed. It is very general in scope and I would think that in those terms it should not be accepted.

Mr. Hees: Could I put it in more specific terms then. In view of the evidence which has been given recently of the rise in the cost of living, and inflation, does the government intend in the near future to adopt new initiatives to control this situation?

Hon. E. J. Benson (Minister of Finance): It is good to hear the hon. member being more specific.

Mr. Hees: It was to get the minister into the act.

Mr. Benson: I think the governor of the Bank of Canada took action yesterday with that in mind.

Mr. Hees: Is that what the government is relying on to stop the rise in the cost of living?

Mr. Speaker: Order, please.

Mr. Hees: We shall be watching.

Mr. Speaker: Order, please. This is a short day and a short question period. Perhaps we could try to move along.

CRIMINAL CODE

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): My question is directed to the Minister of Justice. Is it the intention to bring in the omnibus bill relating to the Criminal Code before the house adjourns, in view of the fact that the opposition has agreed there will be no debate on the resolution stage?

Hon. John N. Turner (Minister of Justice): The resolution preceding the omnibus bill is now in *Votes and Proceedings*. It could be called tomorrow if there were unanimous consent to have the resolution passed without debate, in which case the bill could be read the first time and published so that hon. members would see it before the adjournment.

Mr. Woolliams: We still agree, Mr. Speaker.

Some hon. Members: Do it now.

[*Translation*]

[*Later:*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I would have liked to put a supplementary question to the hon. Minister of Justice a while ago, but I believe you did not hear me.

Is the minister acquainted with Dr. Serge Mongeau's report against the legalization of abortion?

[*English*]

HEALTH AND WELFARE

RECALL OF BEADS CONTAINING POISONOUS BEANS

On the orders of the day:

Hon. J. W. Monteith (Perth): I should like to address a question to the Minister of National Health and Welfare. Has the department made any attempt to have beads made with poisonous tropical beans recalled from sale by trades people?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, the department has done so. We find they have been on sale in Montreal and that they were sold at the exhibition, Man and His World, during the summer. I might say for the information of the house that these beans are a bright, glossy scarlet in colour and that one tip is a deep black. The food and drug directorate has checked many distribution centres and retail outlets in Vancouver, Toronto, Winnipeg, St. John's (N.B.), Halifax and Moncton with negative results. The investigation is being carried on. The beads are known to be lethal if taken.

Mr. P. B. Rynard (Simcoe North): Has the minister taken steps to warn the people of the danger, through television and other media?

Mr. Munro: We are resorting to every means possible to get this information out to the Canadian people.

GRAIN

STORAGE ON SHIPS AT LAKEHEAD DURING WINTER

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): May I direct a question to the Minister of Agriculture. I know this is a short question period, but we have not seen him for five days. What action is being taken to make provision for storage of grain on lake freighters and sea-going freighters at the lakehead during the winter?

Hon. H. A. Olson (Minister of Agriculture): I will have to take the question as notice, because several agencies are involved in making arrangements of that kind.

BUSINESS OF THE HOUSE

REFERENCE TO COMMITTEE OF SUBJECT MATTER OF BILL C-147

On the orders of the day:

Mr. W. M. Howe (Wellington-Grey): I have a question for the President of the Privy Council in his capacity as leader of the house. In view of the fact that tomorrow the committee on health, welfare and social affairs begins its study of the whole cigarette problem, would the hon. gentleman have the bill which I introduced into the house today referred to that committee for study?

Inquiries of the Ministry

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. If we could have unanimous consent perhaps an order could be made:

That the bill introduced this day by the hon. member for Wellington-Grey be not now read the second time but that the subject matter of the said bill be referred to the standing committee on health, welfare and social affairs.

Mr. Speaker: Is it so ordered?

Some hon. Members: Agreed.

RURAL DEVELOPMENT

REQUEST FOR REVIEW OF CENTRALIZATION AND RESETTLEMENT PROGRAM

On the orders of the day:

Mr. James A. McGrath (St. John's East): I have a question for the Minister of Fisheries. In view of the likelihood that a number of fish plants will close down as a result of government inaction—

Some hon. Members: Oh, oh.

Mr. McGrath: —will the government reappraise the federal-provincial centralization and resettlement program with a view to deferring action? I am thinking now of a statement the minister made—

Mr. Speaker: Order. The hon. member should ask a question, not present an argument. He knows that a question should not provoke debate and should not contain allegations.

Mr. McGrath: May I rephrase my question then. Last night on national television the minister said mistakes had been made in the government's centralization program in Newfoundland. In view of this admission and the serious consequences of government policy for the groundfish industry in Newfoundland, will the minister reappraise this whole centralization program with a view to deferring further action?

Hon. Jack Davis (Minister of Fisheries): We are constantly reappraising programs—programs which, incidentally, offer record levels of assistance. We are seeking to improve the centralization program, and I am sure this will help the industry as well.

HOUSING

REQUEST FOR POLICY STATEMENT

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): I wish to direct a question to the Minister of Transport. Now that the minister has returned from some three months of junketeering, questioneering and electioneering—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I have to again remind hon. members that the purpose of the question period is to seek information, not to provoke debate and argument.

Mr. Muir (Cape Breton-The Sydneys): That is the furthest thought from my mind, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Muir (Cape Breton-The Sydneys): On the subject of housing, when will the hon. gentleman be in a position to give to parliament and the nation the benefit of his findings in the form of new, positive and constructive policy to provide homes for Canadians?

Hon. Paul Hellyer (Minister of Transport): I am very happy to see this evidence of interest on the part of the hon. member in this serious national problem. I hope it is an indication of unqualified support when I bring in exactly the kind of report he has just described.

Some hon. Members: Hear, hear.

Mr. Speaker: I wonder whether the minister is considering replying to the question now.

[*Later:*]

Mr. Muir (Cape Breton-The Sydneys): I rise on a point of order. Since the minister was prevented from giving a reply by members of his own party, could he not be allowed to give his answer, now?

Mr. Hellyer: I was merely about to add that the task force has completed its preliminary consideration of the findings evidence which was presented to it. I am most grateful to the members of the task force for their really outstanding efforts during the last few strenuous weeks. It is hoped we shall be in a position to report to the country during the month of January and that I shall be able to present a report formally to parliament at that time.

So, Mr. Speaker, it is to be hoped that not too long afterwards the government of Canada will be in a position to indicate what action, if any—and I hope there will be—it will take based on the report.

[*Translation*]

NATIONAL CAPITAL

PROPOSED REPLACEMENT OF PRESENT COMMISSION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the hon. Minister of Forestry and Rural Development.

Could he tell us whether the government intends to discuss with the provinces of Quebec and Ontario a proposal for the dissolution of the National Capital Commission and its replacement by a bipartite or tripartite agency?

Mr. Speaker: I wonder if the question is really urgent. If the hon. member believes that there is some urgency, I shall allow the hon. minister to answer the question.

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

I asked the question because I think that a federal-provincial conference will be held soon and parliament should know the attitude of the government in this matter.

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, this is a matter which is being discussed by the three governments and since the discussions are continuing, I am not in a position to report to the house today.

[*English*]

AIR TRANSPORT

APPLICATION OF KLM FOR LANDING RIGHTS AT TORONTO

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the un-ubiquitous Minister of Transport. Is it a fact that the Air Transport Board has turned down the application of KLM air line to land at Toronto? If so, has this jeopardized the position of Canadian Pacific Airlines with respect to landing rights in the Netherlands?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I would be glad to direct the hon. gentleman's question to the Canadian Transport Commission.

Mr. Nesbitt: Mr. Speaker, on a point of order, the reply the Minister of Transport made to my question was that he would refer it to the Air Transport Board. Recently at hearings of the transport committee we were told by the head of the Canadian Transport Commission that treaties regarding landing privileges of air lines were entirely a ministerial responsibility, and he could not answer such questions. I suggest, Mr. Speaker, that the Minister of Transport should at least try to find the answer, because the head of the Canadian Transport Commission has told us that he cannot answer these questions.

EXTERNAL AFFAIRS

DANGER FROM U.S. ANTI-BALLISTIC MISSILES NEAR CANADIAN BORDER

On the orders of the day:

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In light of the fact that the United States department of defence this week has given a special briefing to congressmen from the Michigan area on the potential placing near Detroit of anti-ballistic missiles armed with hydrogen warheads, does the minister intend to make presentations to the United States government regarding possible dangers to Canadian population centres?

Mr. Speaker: Order, please. The hon. member has made a representation to the government.

Mr. Stanley Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, and with respect, I submit that the hon. member for Windsor-Walkerville not only made a representation but that he did ask a question to which I think the house would like an answer.

Mr. Speaker: Order, please. The minister of external affairs.

Mr. Hellyer: I am sorry, Mr. Speaker, did you say "external" or "internal"?

Mr. Bell: Infernal.

Mr. Speaker: The Secretary of State for External Affairs.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the governments of Canada and the United States are in consultation at all times with respect to the defence of North America.

Mr. Knowles (Winnipeg North Centre): I am sorry I raised the point of order. The answer wasn't worth it.

Anti-Dumping Duties

The house resumed from Tuesday, December 17, consideration in committee of Bill No. C-146, respecting the imposition of anti-dumping duty—Mr. Macdonald (Rosedale) for Mr. Benson—Mr. Faulkner in the chair.

The Chairman: Order. House again in committee of the whole on Bill C-146, an act respecting the imposition of anti-dumping duty. When the committee rose last evening clause 19, with an amendment, was under consideration. I shall reread the amendment which was moved by the hon. member for Edmonton West:

That clause 19(1) be amended by deleting all the words after "the" in line 31 and by adding the words "date of the publication of the decision in the *Canada Gazette*".

Mr. Gray: Mr. Chairman, after the house rose yesterday evening I asked the officials of the departments concerned to give very careful consideration to the amendment moved by the hon. member for Edmonton West, and very careful consideration has been given to it. As I said yesterday evening, it is a question of some difference of opinion, not on ways but on means, since there is no doubt the government wishes to give full opportunity for the lodging of appeals under the provisions of clause 19 to those who are interested in doing so.

However, it should be noted, Mr. Chairman, that in none of the briefs presented to the standing committee nor in any of the briefs presented to the interdepartmental committee under the chairmanship of Mr. Glass was there any complaint made by either importers, exporters or manufacturers, about the time or method of filing notice of appeal under clause 19. In other words, those who would be concerned with the provisions of clause 19 did not appear to foresee the possible difficulties that were foreseen by the hon. member who moved the amendment.

I should also like to draw to the attention of the hon. member that the clause seems to cover appeals from two kinds of decisions of the deputy minister, those under clause 17(1) and those under clause 18(4). I am advised it is only for those decisions under clause 17(1) that there must be publication of the decision in the *Canada Gazette*. Therefore the method proposed by the hon. member would not, in my respectful opinion and submission, achieve the aim he has in mind.

I might add one or two other points because I want to demonstrate that serious consideration is being and has been given to

the points he has raised. If there continues to be difference of opinion, it is not because of any difference of aims with respect to the wide provision of notice of appeal.

As I was saying, Mr. Chairman, this subclause relates to imports, in other words the individual entry of goods, after an order or finding of a tribunal that there has been injury caused by dumping, and it is considered to be quite different in scope from the "determination" of the deputy minister under clause 17(1). It is at this point in the scheme of legislation that the change is made from looking at the dumping of a series of imports to levying the duty entry by entry, while clause 18(4) relates to the liability for duty on a particular entry after a finding of injury.

The appeal scheme to which I have made reference, from customs appraisers to the deputy minister and then to the Tariff Board, which is proposed here, is a precise parallel to the provisions in the Customs Act. In the committee hearings no one proposed that the deputy minister's determinations on individual entries be made public because generally these provisions are considered by business communities to be of a fair and reasonable nature. It might also be argued that further publicity at this stage, before an importer may decide to appeal to the Tariff Board, might be considered by some as a harassment and deterrent to the use of appeal.

It could also be argued that from the export point of view publicity of this sort might have some inhibition on exports and we would not wish to see this kind of publicity given in our export markets. To conclude, Mr. Chairman, it is obvious that we are moving into a complex new area of administration in which procedural questions and rules are vital.

• (3:40 p.m.)

Accordingly I might inform the hon. member and other interested members of the house that the government would be prepared to undertake a comprehensive review of the procedures under the act and the regulations, upon the occasion of the tabling in the house of the first report of the tribunal, which would be made possible by one of the changes in the bill recommended by the standing committee. At that time it would be possible to provide an occasion for the discussion of the provisions, if such should be deemed necessary. I would suggest to the hon. member that he may wish to accept this suggestion in lieu of his amendment; otherwise, I regret that I do not have the authority

to accede to his amendment. If he wishes to proceed I would ask the house to vote.

Mr. Lambert (Edmonton West): Having heard the parliamentary secretary I am all the more convinced I am right. However, since it is obvious that the amendment will not carry, I will withdraw it.

Some hon. Members: Oh, oh.

Mr. Lambert (Edmonton West): However, if hon. members so wish we can put forward the amendment.

The Chairman: Does the hon. member have leave to withdraw his amendment?

Mr. Lambert (Edmonton West): Mr. Speaker, I do not withdraw the amendment. Put the question.

Amendment (Mr. Lambert) negatived: yeas 56; nays 95.

Clause agreed to.

Clause 20 agreed to.

On clause 21—*Tribunal established.*

Mr. Hales: Mr. Chairman, this has to do with the setting up of a tribunal of five men, and it is something new. This is the first time this has ever been done. In subclause (4) it says that the members of the tribunal would hold office until they attain the age of 75. I should like to ask the parliamentary secretary whether the government would not consider reducing that age from 75 to 70. We do not want to have a group of old retired men on that tribunal. We want young, aggressive, active men who are interested in industry and commerce and who understand what the tribunal is supposed to do.

An hon. Member: The age is 70 now.

Mr. Hales: I am sorry, Mr. Chairman. I meant to suggest that it be reduced to 65 years of age.

Mr. Gray: Mr. Chairman, I wonder whether perhaps we should have a consultation on this with the former leader of the hon. member's party. He might have some views concerning the vigour of people who are 70 years of age. I certainly do not disagree with the general point he has expressed. I would suggest, however, that there are many people who feel that one can be quite vigorous even at the age of 70.

Mr. Hales: Subclause 7 of clause 21 states:

> Each member shall devote the whole of his time to the performance of his duties under this act and shall not accept or hold any office or employment inconsistent with his duties and functions under this act.

Does this mean that a member of the tribunal may be a shareholder of some large corporation or that he may be the vice president of such a corporation? If so, there is no control here. He could be a shareholder of many companies, and therefore would have a conflict of interests. Such a person could be acting as a member of the tribunal when it was hearing a case involving a company of which he might be a large shareholder. I think this is a matter which should be taken care of in subclause 7. Apparently it is not.

Mr. Gray: Mr. Chairman, I think the hon. member again has raised a useful point. I am informed that this wording is exactly the same as that found in the legislation creating similar independent tribunals, such as the National Energy Board and the Immigration Appeal Board. I would presume it is contemplated that people holding such positions would not hold other appointments or act in ways inconsistent with the terms of their appointment to the tribunal.

Mr. Hales: Mr. Chairman, I am afraid I cannot accept that explanation because the situation in respect of the immigration appeal board is entirely different. This tribunal will hear cases concerning businesses where money is involved. One of the members of this tribunal could be a principal shareholder in a corporation. It would be improper for him to sit on that tribunal when the tribunal might be considering a case that would involve his own company. I do not care what the wording is in respect of other acts. This is an entirely new bill and an entirely new tribunal. If the parliamentary secretary is not agreeable to making a change to cover this situation, then I am prepared to move an amendment.

Mr. Gray: I might again point out that I am informed exactly the same type of wording is found in the act which sets up the National Energy Board. This is a board which deals with business interests. I have not heard of any difficulty of the type raised by the hon. member having been found to exist in respect of that board. I do not disagree with the validity of his expressed concern, but I would suggest that the point he has raised is covered in another portion of clause 21. I would

refer him to subclause 2 of clause 21 which states:

> Subject to subsections (3) and (4), each member shall hold office during good behaviour for a period of seven years, but may be removed at any time by the governor in council for cause.

It would seem to me that if circumstances or situations of conflict of interest of the type referred to by the hon. member should be found to exist, this would be the type of thing that could be looked upon as a reason for removal from office for cause.

• (3:50 p.m.)

Mr. Hales: Mr. Chairman, I would inform the parliamentary secretary now that when these five members of the tribunal are appointed I shall place a question on the order paper asking about the shares they hold and in what companies they hold them.

Mr. Saltsman: The hon. member for Wellington raised a very important point about any conflict of interest that might arise. I think the parliamentary secretary referred to clause 21(2), and especially to the words "shall hold office". It seems to me that we are not talking about dismissing a member from this tribunal because he may have some shares or interest in a corporation. In a society like ours that is a fairly widespread situation. We ought to make sure, through this legislation, that if a conflict of interest does arise, a declaration about such conflict shall be mandatory. In other words, where a person does become involved with any conflict of interest he ought to absent himself from deliberations in the particular case then before the tribunal. Of course the conflict of interest may arise in any number of ways. I think therefore that the question raised, to make sure that this legislation is satisfactory from the point of view of avoiding any conflict of interest, is legitimate, and I hope the parliamentary secretary can assure us that the danger of conflict of interest is provided for.

Mr. Benjamin: I too am concerned about the tribunal, Mr. Chairman. Yesterday the parliamentary secretary told the committee that the tribunal would decide on matters of injury and that the deputy minister of national revenue would decide on matters concerning dumping. It seems to me that great care will have to be taken in selecting the people who are to sit on the tribunal. We must make sure that they are not only from the textile or steel industry. Naturally, if the members were from those industries they might find a great many cases of injury—some of them no doubt beneficial to the rest of the country. Quite often I have difficulty in feeling sympathy for the Steel Company of Canada, which is crying all the way to the bank. In appointing members to sit on this tribunal, will the government give consideration to selecting people from the various areas of our society? For instance, we might have someone from a consumer association, someone from the agricultural industry, someone from the trade union movement and a couple of others, probably, from other industries. Will the selection of members of the tribunal be spread over all sections of our society?

Mr. Gray: I can deal first with the question raised by the hon. member who has just spoken. That is exactly the approach which is going to be taken in making the appointments. An attempt will be made to appoint people with a great breadth and diversity of background and to take into account the useful point the hon. member has made.

With respect to the comments of the hon. member for Waterloo, it seems to me that the place to take steps to avoid possible problems of conflict of interest is at the time of the nomination of the people who will sit on the tribunal. I will make a further suggestion, and that is that with respect to questions of absenting oneself from voting, and so on, this might be taken care of in the rules of the tribunal which will govern these procedures.

Mr. Saltsman: I would like to believe that it is possible for all conflicts of interest to be detected when a member is appointed to the tribunal, but I do not see how that can be done. Surely no one is suggesting that every single asset in an individual's possession will be scrutinized before that individual is appointed. Surely the members of the tribunal will not have to declare every asset they acquire or every piece of stock they buy while they are members of the tribunal. I do not think that has been the practice in the past, and unless the government is saying that it intends to institute such a practice with the members of the tribunal I do not see how we can be assured of any satisfactory answer to the question we have raised.

Mr. Gray: It seems to me that the most significant part of the hon. member's remarks with respect to making decisions or taking part in deliberations of the tribunal where there might be a possibility of conflict of interest, was perhaps where the hon. member indicated that a group might appear before the tribunal and one of its members might

have been previously linked with that group in some way. Perhaps it might be a federation of agriculture or some labour movement—it need not necessarily be a matter of ownership. It seems to me that the best way to take care of that, because this is one of a number of matters linked with procedure which are important, would be to have the matter set forth and specified under the rules of the tribunal. It will be noted that in a later clause of the bill it will be proposed that the rules of the tribunal are to be subject to approval by the governor in council. This is something that I think the government should take into consideration when the question of the rules is being dealt with.

Mr. Saltsman: Mr. Chairman, before proceeding further I wonder if we might stand this clause for a moment, so that I might discuss something with the hon. member for Wellington. I wish to see if he would like to propose an amendment. If not I should like to move an amendment which the parliamentary secretary might consider.

The Chairman: Before putting the question to the committee I think it might be wise to allow the questions of other hon. members. Then I shall put the question as to whether or not this clause is to stand.

Mr. Danson: Mr. Chairman, I wish to comment on the remarks of the hon. member for Regina Lake Centre. A few minutes ago he said that he could not really feel sorry for the Steel Company of Canada, which is crying all the way to the bank. Well, we are dealing with a business proposition here, and although I have some very good friends on the other side of the house, whom I regard highly, I cannot understand the type of thinking that seems to prevail over there, that it is immoral to make a profit. I suggest that the greater immorality is for there to be no profit.

I think I said that in the committee, when the Steel Company appeared before us, and I think the hon. member for Waterloo heard me. When the company appeared before us it clearly represented the healthiest industry of the lot. Here was an industry making profits to pay the employees the highest wages in Canada, wages comparable with those paid in the United States and in many cases higher than those paid there; here is a company that is entirely healthy, that is a wholly owned Canadian industry, and hon. members of the party to which the hon. member for Waterloo belongs think there is something immoral about profits. I was impressed by the fact that here was a company which did not have to go outside Canada in order to make any of its decisions; here was a company making decisions which were based on the interests of the economy of this country—it was a most impressive group. Yet hon. members opposite persist in their thinking. That type of thinking, in the face of the reinvestment in plant this industry engages in, in the face of its advancing technology and in the face of its ability to pay its workers high wages, is the most ridiculous sort of thinking I have ever heard.

I thought I should bring this to the attention of the hon. member. His group has talked a lot about Canadian ownership of our industries. Yet, because this industry is successful, it is criticized for being successful. That is an unfair criticism of an industry of this country.

Some hon. Members: Hear, hear.

Mr. Benjamin: I hope the hon. member who has just spoken will read in tomorrow's *Hansard*, the remarks I have just made. He will get my point.

May I ask the parliamentary secretary whether this bill contemplates the appointment of the deputy minister to this tribunal? If not, will this be contemplated by the government?

Mr. Gray: Is the hon. member asking whether a person can be on the tribunal and be the deputy minister at the same time?

Mr. Benjamin: Yes.

Mr. Gray: That is not possible under the terms of the proposed legislation. The bill specifies that each member of the tribunal shall devote the whole of his time to the performance of duties under this act, and so on. I do not see how the deputy minister of national revenue could devote the whole of his time to duties as a member of the tribunal, and at the same time be able to carry out the heavy responsibilities placed upon him not only under this act but under the Customs Act and the Customs Tariff Act.

• (4:00 p.m.)

The Chairman: Order, please. The hon. member for Waterloo did request that this clause be allowed to stand. Is there unanimous consent?

Mr. Gray: Mr. Chairman, if the hon. member still is of that disposition, I certainly would not object.

The Chairman: Is it agreed that clause 21 stand?

Mr. Hales: I am ready to move the amendment, Mr. Chairman. I move, seconded by the hon. member for Waterloo:

That in clause 21, subclause 7, line 33, following the word "functions" insert the words "and shall declare any conflicts of interest in any proceedings"—

Mr. Saltsman: I have a question for the hon. member for Wellington, Mr. Chairman. Are there three additional words to be added to those of the amendment? In other words, are the words "under this act" to be added at the end of the subclause?

Mr. Hales: They are already there.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. Saltsman: Mr. Chairman, I have a few words to say before proceeding to the vote on this amendment. I hope the parliamentary secretary will consider accepting the amendment on behalf of the government or asking that the clause stand while he considers the possibility of accepting it. I ask this because I think a rather important amendment has been put forth by the hon. member for Wellington. It may be the first time such a provision has been inserted in an act, but I think it is a most useful addition to the act and one that clearly states, I would think, the purpose and intent of those of us who are concerned with the legislative process.

Mr. Gray: I think, Mr. Chairman, we have another clause dealing with the French and English terms used with respect to the word "dumping", which has been stood. I will have some comments to make on that matter when we get back to the clause. Because I think the point raised by the hon. member is of significance, I would suggest to the committee that this clause stand as well.

The Chairman: Is it agreed that clause 21 stand?

Clause stands.

Clauses 22 to 24 inclusive agreed to.

On clause 25—*Rules.*

Mr. Alkenbrack: Mr. Chairman, I am also apprehensive of the eventual possibility of conflict of interest and suggest to the committee that this clause is an excellent place in which to insert a provision in this respect.

[Mr. Gray.]

Apparently the clause says that the tribunal may, subject to the approval of the governor in council, make its own rules. This is a rather loose provision. I think the place to make the rules is here. Therefore I suggest that a subclause (c) be inserted reading along these lines:

(c) the eligibility of each individual member of the tribunal to perform his duties pertaining to the matters before the tribunal in the event of a conflict of interest by any member of the tribunal.

I offer this suggestion to the committee for what it is worth. I think it is a sound way of ensuring that there will not at any time be any conflict of interest on the part of the five members of the tribunal.

Mr. Gray: Mr. Chairman, is the hon. member moving a formal amendment? If he is not, I would thank him for his suggestion, but would point out that it is customary, when tribunals of this type are set up which are designed to be independent bodies of a judicial nature, that they are given broad powers to make their own rules. I know the hon. member for Edmonton West has some views on this subject and I think he may agree with me that it may or may not be suitable to limit the area of rule-making of the tribunal further than already appears to be done by the proposed clause. Certainly the point raised by the hon. member could well be noted when the time comes to draft the rules.

Mr. Alkenbrack: Mr. Chairman, the rules laid down by the tribunal will have to be referred to this committee or the house for approval anyway, so I do not think an amendment is necessary at this time. I do however ask the parliamentary secretary to take note of my suggestion.

Mr. Lambert (Edmonton West): Mr. Chairman, I think my colleagues have a good point in principle. The only thing is whether it could be written into the act. That is another question. In any event, it must be pointed out that the rules of procedure of the tribunal are subject to approval by the cabinet. The cabinet already has one check in this regard. Second, it will be seen that these rules have to be tabled in the house and will be subject to the scrutiny of the committee on delegated legislation.

Therefore if the rules are not considered adequate or it is thought they are too broad, this house can make further comment on the matter. I find there are no other acts in which the question of conflict of interest arises. We

have the principle in the National Energy Board, which is concerned in much the same sphere, and there is nothing in that act which indicates any conflict of interest. I would think that any member of a tribunal who exposed himself to a conflict of interest would be doing so at his very great peril. Such a provision is never written into an act.

The Chairman: Shall clause 25 carry?

Mr. Lambert (Edmonton West): Mr. Chairman, there is one point I would like to make in regard to clause 25. I ask why in the drafting of subclause 2 the usual practice was not followed that rules be laid on the table of parliament, and that this should be done within 15 days of the making thereof, or if parliament be not then sitting at least within ten sitting days of the next following session. That is a standard drafting. At the time the committee was discussing this question with Mr. R. Grey I felt this wording was all right, but on further reflection I believe what I have suggested is preferable, because in fact this provision could mean a delay of almost a year in the tabling in parliament of any rules made under clause 25 or amendments thereto. I think it would have been wiser to draft the clause as I have suggested, because that is the way it is done in most other legislation. We have had many examples in the explanation of this act, stating that it was done this way in another act; but now we have the reverse. I believe there is a lack of consistency in the draft.

• (4:10 p.m.)

Mr. Gray: I am advised that the wording is identical with that used with respect to the tabling of rules in the Exchequer Court Act. If I am not mistaken, it would not prevent the government from tabling the rules sooner if they were then available. It makes only a mandatory statement, and, as I have said follows the procedure for tabling rules, as provided in the Exchequer Court Act.

Clause agreed to.

Clauses 26 to 28 inclusive agreed to.

On clause 29—*right to appear.*

Mr. Saltsman: Mr. Chairman, I would like to move an amendment to clause 29 (2) which reads:

> A hearing before the tribunal may at the discretion of the tribunal or the chairman, as the case may be, be heard in camera or in public.

It seems to me that at this time in our history there is very little reason for any tribunal meetings to be held in camera. Increasingly legislation is being introduced calling upon public disclosure of business information, and information from trade unions. I think it would be an important principle to incorporate in this bill. I can foresee very few reasons why this information should not be subject to public scrutiny, and therefore I should like to move the following amendment:

> That clause 29(2) be deleted and the following substituted therefor: "All hearings of the tribunal shall be public".

Mr. Gray: One can have sympathy with the point of view expressed by the hon. member for Waterloo, but I think the answer to the question as to whether this amendment would be acceptable to the committee is contained in subclause 3 of clause 29 which reads:

> Where evidence or information that is in its nature confidential, relating to the business or affairs of any person, firm or corporation, is given or elicited in the course of any hearing before the tribunal, the evidence or information shall not be made public in such a manner as to be available for the use of any business competitor or rival of the person, firm or corporation.

First of all, I do not know how we can agree to the hon. member's amendment to the clause and at the same time continue to have subclause 3 of the clause, because they are in conflict with each other. Secondly, and perhaps most important, I think it is clear that there are quite legitimate circumstances when information would be disclosed in these hearings which would be of great benefit to competitors of the firm involved, I think those involved in the hearings could have quite legitimate reasons, as is implied in the proposed subclause 3, for asking that information of this type be maintained on a confidential basis.

Therefore I invite the committee not to accept the amendment moved by the hon. member.

Mr. Saltsman: I recognize the validity of the parliamentary secretary's suggestion about subclause 3 and I am very pleased to add to my amendment the words: "and that subclause 3 be deleted completely."

The argument we have just heard is the same argument that was used before the joint consumer prices committee of the Senate and the House of Commons, when various industries appeared before us and said that any attempt on the part of the committee to obtain information from them would be injurious to them and would be information

which competitors might wish to have. Despite the claim made by the witnesses appearing before the committee, the committee in its wisdom decided immediately that none of our meetings would be held in camera, that none of the information that was requested would be considered confidential, and that the committee had the right to call for any information which it felt would serve the public interest or enable us to reach some conclusion. The result was not as disastrous as some people claim. I do not think any competitor picked up information that he did not have before, or that there was any serious claim made on the part of those who testified before the committee that they were injured, or that their competitors took advantage of the situation. I think that this argument is probably greatly overdone in our society and that there are probably very few so-called secrets among business firms that have to be kept close to the chest. Therefore I indicate my willingness to bring the amendment into harmony with subclause 3 by including in my amendment that subclause 3 be deleted completely.

Mr. Gray: Mr. Chairman, first of all I think it should be made clear that the aim of this clause is not to permit those appearing before the tribunal to refuse to give information but rather to encourage information to be given to enable the tribunal to carry out its important functions. I think that if the proposal of the hon. member with respect to this clause is accepted, it will make it more difficult for the tribunal to carry out the very important job being given to it, and it is a very vital job dealing with the protection of Canadian industry and the jobs of large numbers of Canadian workers. I suggest to the hon. member that there is a very legitimate case to be made out for the existence of circumstances in which information of value to competitors should be allowed to be kept confidential in hearings of this type. Certainly I think the tribunal should have the discretion which is being given to it by the proposed clause to make up its own mind in this area.

Mr. Lambert (Edmonton West): Mr. Chairman, many representations were made that a degree of confidentiality should be maintained, particularly with respect to the name of the complainant in certain stated instances. This was put before the committee in a number of briefs. With all due respect to the hon. member for Waterloo, I think that what he proposes to do here would negate what has been accepted in previous sections of the act, which was a matter of considerable representation before the committee and of general acceptance to the committee at the time.

Mr. Blair: Mr. Chairman, in considering this clause the house should take into consideration the experience of the Tariff Board which for more than 30 years has conducted inquiries of a similar kind. It has been the practice of the Tariff Board to receive information relating to costs of production, secrets of industrial processes and the like, in confidence without disclosing this information to other parties before the proceedings. This has had a dual benefit. First of all it has encouraged parties coming before the Tariff Board to make a full disclosure of the facts.

• (4:20 p.m.)

Of course, the second benefit is that the Tariff Board has a much better appreciation of the factual situation than if the parties appearing had to "fudge" their presentation in detail in order to avoid the disclosure of important commercial secrets. No one with experience in these matters or in business could possibly agree with the assertion of the hon. member for Waterloo North that there were no trade secrets—

An hon. Member: Waterloo.

Mr. Blair: Pardon me, Waterloo; a famous name in history. Nobody could possibly agree with the hon. member that there are no trade secrets, that the businessmen of this country are not entitled to maintain their cost of production in some reasonable type of confidence, that there is no such thing as competition which makes it necessary. I feel the suggestion the hon. member makes, in trying to couple with his amendment the total deletion of the clause, borders on irresponsibility. It is not something that this parliament would like to countenance.

Mr. Danson: I must agree, Mr. Chairman, with most of what the hon. member for Waterloo has proposed. There are very few secrets that should be held close to the vest, but there are some. This provision was discussed during the committee proceedings at considerable length because we were concerned about this question of disclosure and about secrecy. There was some feeling it may inhibit complainants, and we wanted to make sure that every reasonable protection was given to them. I would be concerned as well about too much secrecy. This whole anti-dumping legislation is dependant upon the

spirit in which it is implemented, and the way in which the tribunal functions. If we find, as a matter of fact, the tribunal is taking advantage of this provision then a whole lot of people will be here on our doorstep in Ottawa, and rightfully so.

While I must agree that there are very few things that need to be kept secret, there are some. I think that in order to make the legislation effective at all we must protect those who are prepared to testify. This certainly applies to complainants who do not want to jeopardize their future business position. I believe when the matter was discussed in committee there was unanimous agreement about this need for secrecy being maintained. I would join the hon. member for Waterloo in cautioning against too much secrecy. However, I could not support the amendment because I do not think the legislation would be nearly as effective without that safeguard.

Mr. Benjamin: There have been a great many arguments put forward about the need for secrecy, Mr. Chairman, in relation to obtaining information from complainants. I wonder if there is not some chance—and although many members may not agree with me I suspect there is a great deal of chance—that there will be no means of judging the accuracy of the confidential information given to a board relating to the cost of production or other internal affairs of a given company. How good is this information unless it sees the light of day? It seems to me one of the best ways of judging the accuracy or honesty of figures of this nature is to reveal them to competitors. They will often disprove the accuracy of these figures. Many such incidents have occurred in connection with railway accounting. I should like to see better arguments put forward in opposition to the amendment proposed by the hon. member for Waterloo.

I do not believe in practice the tribunal will have sufficient time to thoroughly research and check these confidential figures or other information that may be given relating to the cost of production. It seems to me that both the complainant and the public stand to gain by the removal of this type of secrecy in so far as witnesses are concerned. If there is a good case of injury, these people have nothing to fear from making their figures public. It seems to me they strengthen their case by providing an opportunity for scrutiny.

Mr. Gray: If I might just add a word, I would point out to hon. members that under clause 27 the tribunal is deemed to be a court of record and has very wide powers with relation to the compelling of the production of documents or in respect of the attendance of witnesses. I believe it also has the authority to hire a staff to assist in its deliberations. If I am not mistaken, at the hearing other interested parties are going to be present. I feel we all ought to give proper attention to what the hon. member for Edmonton West said to us concerning the many requests we have had from witnesses before the tribunal for complainants to keep their identity confidential so they could bring forward information freely. While I understand the spirit in which the amendment was proposed, I would ask the committee not to accept it.

The Chairman: Is the committee ready for the question?

Amendment (Mr. Saltsman) negatived: Yeas, 5; nays, 70.

The Chairman: I declare the amendment lost. Shall clause 29 carry?

Clause agreed to.

Clauses 30 to 36 inclusive agreed to.

On clause 37—*Surtax in certain conditions.*

Mr. Danforth: Some of us, Mr. Chairman, were not privileged to be members of the committee, so may I ask the parliamentary secretary why it was felt necessary to delete the sections of the former act which spelled out the formula for the imposition of value for duty, and change it to a surtax which is left to the discretion of the governor in council? There must have been a reason for this, but I am not aware of it.

Mr. Gray: I think one very important reason, Mr. Chairman, has been reflected in some of the contributions to the debate thus far. In the minds of many there has been some misunderstanding with respect to the difference between dumping, which as I said yesterday has a rather precise meaning in the law of international trade, and emergency action with respect to low cost imports causing injury to Canadian production. This condition was dealt with under section 40A. Now, I believe this Section 40A, was, in effect, to reflect the provisions of article 19 of the GATT.

• (4:30 p.m.)

This authorized the member countries of GATT to take this type of emergency action,

even though for example the goods coming into Canada and being sold here at a price that injured Canadian production were not being sold in Canada at a price below that for which the same goods were offered for sale in the country of export. The redrafting of the provisions which were formerly 40(A) and placing them in the Customs Tariff Act quite separate and apart from the anti-dumping legislation, I think serves a very useful purpose in making clear what type of action is being taken.

Second, I think it can be said that the wording proposed follows more closely the provisions of article 19 of GATT. I might say that in spite of the seemingly more detailed nature of the provisions of section 40A, it will be found that it placed a lot of discretion in the hands of the administration, discretion about which complaints have been made in the past. In fact there was some complaint about it during the debate in this house yesterday. Therefore the fact that discretion will remain under the proposed new section 7 does not, in this regard at least, bring about any significant change in the method of administration.

As I pointed out earlier in the debate quoting page 101 of the white paper, and this is also set forth in the explanatory notes of the bill, "the new subsections will replace section 40A (7) of the Customs Act, and in their application will be substantially the same as that subsection."

Clause agreed to.

Clauses 38 and 39 agreed to.

The Chairman: The committee will now turn to clause 21, which was stood.

On clause 21—*Tribunal established.*

Mr. Gray: Mr. Chairman, with respect to the amendment to clause 21 (7), the government has attempted to give further consideration to the amendment that was proposed. While I think one can well be in agreement with the idea underlying the proposed amendment, namely that those serving on the tribunal should not be involved in conflicts of interest, I would suggest, with all due respect to those who prepared it, that the proposed wording is of a rather vague nature and could cause serious difficulties in interpretation.

I suggest that a preferable way to deal with this type of problem would be in the rules of the tribunal, which would have to be approved by the governor in council. I can assure hon. members that the views they have expressed with regard to a risk of a conflict of interest will be carefully noted by the government. Therefore, I invite the committee not to accept this amendment.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Hales) negatived: Yeas, 25; nays, 49.

The Chairman: I delcare the amendment lost.

Clause agreed to.

The Chairman: The committee will now consider clause 1.

On clause 1—*Short title.*

[*Translation*]

Mr. Gray: Mr. Chairman, the honourable member for Edmonton West (Mr. Lambert) last night raised a very interesting point with regard to the word "dumping" which has been translated into French in the bill by "sous-évalué", and I want to give him the following explanation.

Since the verb "to dump" does not exist in French, we resort to another word to express the same concept. The Harrap dictionary translates the expression "to dump goods" by "écouler à perte des marchandises". According to that meaning, it follows that the goods would be sold at a loss. That term, however, could not be used to define the word "dumping" which, in the act, applies to goods sold at a price lower than their normal value but not necessarily at a loss. This is why a more specific term had to be selected. It seemed that the word "sous-évalué", which means "below the value", would be more appropriate and would be used in the text of the legislation more readily than the words "marchandises qui font l'objet de dumping".

Therefore, I suggest to the committee to accept the words used in the bill under consideration.

Mr. Lambert (Edmonton West): Mr. Chairman, I brought up the matter merely because nowhere in the anti-dumping code have I found the words "sous-évalué" or "sous-évaluation". It is intended to use the word as a verb, as will be noted from page 12 of the white paper, and I quote:

For the purpose of this code, a product is to be considered as being dumped—

I feel that it cannot be done, because in international French, we read the following:

Aux fins d'application du présent code, un produit doit être considéré comme faisant l'objet d'un dumping ...

I have absolutely no objection to the word "dumping", because it is used internationally; but I was wondering why, in Canada, we should innovate by using the word "sous-évalué" which is found nowhere in the international code.

Mr. Gray: Mr. Chairman, I should like to add a few words. The anti-dumping code is an international agreement of general application. It will be used for domestic legislation in a large number of countries and we should use words that are as specific as possible in our own legislation. That is why those who drafted this bill used the expression "sous-évalué" with a view to being as specific as possible. Therefore, once again, I suggest that the committee accept the use of those words.

[*English*]

Clause agreed to.

Title agreed to.

Bill reported.

• (4:40 p.m.)

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

Some hon. Members: Now.

Mr. Macdonald (Rosedale) for Mr. Benson moved the third reading of the bill.

Hon. Marcel Lambert (Edmonton-West): It is not a question of holding up the bill at all but I want to reiterate from this side of the house the general opinion of all members of the committee as enunciated, particularly, by my hon. friend from Calgary Centre (Mr. Harkness) that the efficacy of this legislation will depend entirely on the efficiency with which it is administered and the speed with which the machinery we are establishing reacts to events.

If this efficiency is not forthcoming, and if the government neglects to take appropriate steps to name a tribunal immediately, appointing to it men of high calibre, the whole purpose of the bill will be frustrated. The tribunal should not be allowed to become a refuge for defeated candidates or the friends of the party opposite. I do not think we should have gone through this bill so diligently, or facilitated its passage through the co-operation of the opposition parties, if this body is to become part of the slough of patronage.

Some hon. Members: Oh, oh.

[*Translation*]

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I had the privilege to act as chairman of the committee on finance, trade and economic affairs when the white book was considered by that committee. I would like to take this opportunity to congratulate and thank sincerely the members of the committee and the personnel of the house for the wonderful co-operation given to me. I would also like to congratulate the various associations for the quality of their submissions to the committee.

[*English*]

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

[*And order number 38 having been called*]

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. The last I heard from the leader of the house was that we would proceed with the resolution relating to fresh water fish.

Mr. Turner (Ottawa-Carleton): The leader of the house has asked me to confirm that with the consent of the various parties in the house the next item on the order of business will be No. 30, the house again in committee of the whole on the resolution introduced by the Minister of Trade and Commerce on the subject of fresh water fish. If that is agreeable, we would call the item I have just referred to.

Some hon. Members: Agreed.

FISHERIES

ESTABLISHMENT OF FRESHWATER FISH MARKETING CORPORATION

The house resumed from Tuesday, December 3, consideration in committee of the following resolution—Mr. Pepin—Mr. Faulkner in the chair:

That it is expedient to introduce a measure to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation; to provide that the corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by Parliament; to provide that the Governor in Council may authorize the Minister of Finance, under certain terms and conditions, to guarantee repayment of loans by banks to the corporation and to make loans to the corporation, the aggregate outstanding of amounts borrowed or loaned not to exceed five million dollars; to provide

also for grants to the corporation, out of the consolidated revenue fund, not exceeding in the aggregate of one hundred thousand dollars to enable the Corporation to meet initial operating and establishment expenses; and to provide further for other related and incidental matters—

Mr. Knowles (Winnipeg North Centre): On a point of order, may I draw attention to the fact that this was a voluntary agreement, not a compulsory one.

Mr. Crouse: I presume that the Minister without Portfolio who introduced this resolution intends to be here.

An hon. Member: He is just coming from his office.

Mr. Crouse: If this goes on, the opposition will be as confused as the government. At this point I am wondering whether the Minister without Portfolio will have anything further to say. I read his remarks made on December 3 and it appears to me he was cut off before he had time to complete his statement. If he has anything to add we would be pleased to hear him finish his statement, so that the record might be complete. I will await his arrival, if that is the wish of the Chair. Otherwise, I will proceed with my comments.

Mr. Turner (Ottawa-Carleton): The Minister without Portfolio, representing the Minister of Trade and Commerce, will be here in a few moments. Listening to what has just been said by the hon. member for South Shore, I note, as he does, that my colleague spoke for only 12 minutes or so and was obviously not able to finish his remarks. If the hon. member would like to begin his speech and yield the floor when the minister arrives, that would be satisfactory to us. Alternatively, if he wishes me to talk about fish until my colleague gets here, I would be glad to do so.

Mr. Stanfield: If this is an example of the type of programming to which we are to be subjected, we don't want to have any more of it.

Some hon. Members: Hear, hear.

Mr. Turner (Ottawa-Carleton): I must say to the Leader of the Opposition that the government was surprised by the degree of cooperation it received from the other side of the house; as a result, we are running ahead of schedule this afternoon. However the Minister without Portfolio is here now, and I yield the floor to him.

[Mr. Turner (Ottawa-Carleton).]

Mr. Lang (Saskatoon-Humboldt): I am very sorry I could not be here for the whole of the afternoon, the Christmas spirit being so evident in this place. I regret having to absent myself. I came back as soon as I could.

I have only one or two words to add to what I said on this subject previously. It is important that this bill should see the light of day in order that it may be considered not only by members of this house but by interested people throughout the country. I should like to add this to what I said while introducing the resolution some time ago. The responsible federal and provincial ministers have met from time to time, together with representatives from the Northwest Territories, to consider proposals and exchange ideas in the process of their preparation of draft legislation for approval of parliament and the several legislatures concerned.

In their discussions the ministers have emphasized the importance of a smooth transition to a new marketing system. They have agreed that in any event there will be no interruption of the existing trade and industry arrangements before May 1969. At that time, if the necessary legislation has received approval, the processes for changeover might be set in motion in consultation with the interested parties.

Necessary preparations on the part of the industry for its support of the summer fishery of 1969, such as storage of ice and overhaul of boats and motors, should proceed now, with assurance that normal requirements for these will continue.

• (4:50 p.m.)

With respect to short-term financing of fishermen, provision exists in the bill now being placed before parliament for the proposed freshwater fish marketing corporation ultimately to assume this role. In the meantime companies will be aware of the normal needs and capabilities of fishermen who work with them. As in the past this may serve for their guidance in taking what steps are necessary to assure maintenance of production during any phasing in of new marketing arrangements. Mr. Chairman, I think this fish marketing board may do much for the industry and the areas concerned, and I look forward to its early introduction and passage in the house.

Mr. Crouse: Mr. Chairman, I listened with interest to the statement made by the Minister without Portfolio (Mr. Lang) concerning the government's proposal to establish a

freshwater fish marketing corporation as introduced in the house on December 3, and I also listened very carefully to his remarks this afternoon. Since considerable time has passed, some 15 days since he first introduced the resolution, a resolution which is very carefully worded, I believe it would be proper that I put its words on the record. The resolution states:

> That it is expedient to introduce a measure to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation; to provide that the corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament; to provide that the governor in council may authorize the Minister of Finance, under certain terms and conditions, to guarantee repayment of loans by banks to the corporation and to make loans to the corporation, the aggregate outstanding of amounts borrowed or loaned not to exceed five million dollars; to provide also for grants to the corporation, out of the consolidated revenue fund, not exceeding in the aggregate of one hundred thousand dollars to enable the corporation to meet initial operating and establishment expenses; and to provide further for other related and incidental matters.

The dictionary gives one of the meanings of the word expedient as being "more politic than just". I cannot help but wonder if this resolution is more politics than justice, more of a promise than a possibility for the future well being of our inland fishermen. I say this because the list of unfulfilled promises made to our fishermen over the years is quite lengthy. The economic hardships faced by large sections of the fisheries are tragic reminders of the government's attitude toward this important primary industry.

Let us look at some of the promises that have been made by the Liberals in the past. Mr. Chairman, I am not going to read the entire list since it is the wish of many of us to get out of here by Christmas, but I will place a few of their statements pertaining to fisheries on the record.

For example a five day federal-provincial fisheries conference was held in Ottawa on January 20, 21, 22, 23 and 24, 1964, behind closed doors. When it concluded a 1,800 word communique was read by the then minister of fisheries, Mr. Robichaud, to a press conference. It said the future of the Canadian fishing industry is bright if a "progressive program of education, modernization and economic encouragement is adopted." The minister pledged to design a national development program that would bring the Canadian fishermen the same benefits given to Canadian farmers. There were no specific details set out at that time by the minister.

Mr. Stanfield: What was that date?

Mr. Crouse: Those dates, Mr. Chairman, were January 20, 21, 22, 23 and 24 in 1964. The minister pledged to design a national development program that would bring Canadian fishermen the same benefits given to Canadian farmers. There were no specific details set out by the minister but his communique did refer to the general agreement reached with the provinces for improved credit facilities for our fishermen, as well as new research programs, exploration programs and technical training. This communique was hailed as a Magna Carta for the fishermen although it was estimated it would take five or more years to get the whole program developed.

I ask the minister who is piloting this resolution through the house this afternoon if this freshwater fish marketing corporation is to be the Magna Carta for our national fishing industry? If it is, then I say to him that it falls painfully short of the promise made by the former minister of fisheries almost five years ago that a national development program for our fishing industry would be established by this government.

In my opinion, Mr. Chairman, this resolution sets a bad precedent for it implies that only one section of Canada's fisheries, namely our inland fisheries, is facing economic difficulties and therefore requires additional government planning and control. This resolution ignores the problems of salmon fishermen on the west coast. It ignores the problems of our deep sea fishermen who are faced with low prices for their catch and higher production costs. It does nothing for the thousands of fishermen on the Atlantic coast engaged in the salt cod industry, or for the thousands of our inshore fishermen who daily watch the fleets of other nations grow larger and operate in what should be Canada's territorial seas, taking not only their supplies of fish but in some cases destroying their set nets and traps as well.

In my opinion it is pointless to state that you can segregate the problems of the fishing industry. The minister, in his initial statement, said that inland fish do not compete directly with markets enjoyed by ocean fish. I say to this house that the products of the inland fishing industry must compete in the marketplace with all other forms of protein, including salt water fish. It is only natural therefore, since the entire fishing industry is facing severe marketing difficulties, that the

freshwater fishing industry would be similarly affected, but the methods proposed to overcome these difficulties cannot help but cause concern within the entire industry.

When considering a fisheries policy for Canada, or for any section of the industry in Canada, I believe the government should be primarily concerned with the individual fishermen and the impact that any new policy will have upon his way of life, upon his income, and upon his standard of living. We must ask ourselves if this policy will rob him of any of his freedoms, if it will improve his income, or advance his training in new and better methods of participation in the fishing industry.

I realize, as well as any one in this house, that the problems of the fishing industry are many and complex, and I cannot help but wonder whether the federal government, in introducing this resolution, is once again overstepping its boundaries of authority by usurping rights which, under the British North America Act, are vested in the provincial governments. I say this because the fisheries minister stated in his first appearance before the standing committee on fisheries and forestry that the provinces have property rights in non-tidal fisheries. He also stated that while all the regulations governing fisheries are made at Ottawa, the enforcement of the regulations, mostly in the freshwater fisheries, have been undertaken by a number of provincial governments concerned, which have also established agencies to promote the development of the fishing industry within their provinces.

The Chairman: Order, please. It being five o'clock shall I rise—

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Chairman, I do not know what the sense of the committee may be as to whether there is any opportunity of concluding debate on this resolution by six o'clock and allowing the bill to be published, so that members could examine it during the Christmas adjournment. We might consider this, with the consent of hon. members intending to present private members bills at this time.

Mr. Crouse: Mr. Chairman, we on this side will agree to carry on until six o'clock.

Mr. Turner (Ottawa-Carleton): But is there any chance, in the hon. member's view of concluding debate by six o'clock?

Mr. Crouse: Mr. Chairman, I am not in a position to state the number of speakers who will participate since, as the minister will agree, there was some confusion as to whether this item would be debated today. Because of that, it has not been possible to discuss this matter with other parties but it is my understanding that since the legislation covers a vast area of Canada many hon. members would wish to express their views, and I would believe that it may not be possible to get this matter through by six o'clock. That is only one man's opinion.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, we think it would be desirable for the bill to see the light of day before the assumed Christmas recess, and so we would be willing to take this hour for it. In fact we would be willing to take it in the hope that we might get it through.

The Chairman: Possibly between the time I report progress and Mr. Speaker's resuming the chair there may be a consensus on this matter, and the question could be raised at that time.

Progress reported.

• (5:00 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am in the hands of the house, but there was a feeling, perhaps in the hope that the resolution in committee of the whole might be completed this evening, that the debate might continue in committee.

Some hon. Members: Agreed.

Mr. Speaker: It is agreed.

The house resumed consideration in committee of the following resolution—Mr. Pepin—Mr. Faulkner in the chair:

That it is expedient to introduce a measure to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation; to provide that the Corporation shall conduct its operations on a self-sustaining financial basis without appropriation therefor by Parliament; to provide that the Governor in Council may authorize the Minister of Finance, under certain terms and conditions, to guarantee repayment of loans by banks to the Corporation and to make loans to the Corporation. the aggregate outstanding of amounts borrowed or loaned not to exceed five million dollars; to provide also for grants to the Corporation, out of the Consolidated Revenue Fund, not exceeding in the aggregate of one hundred thousand dollars to enable the Corporation to meet initial operating and establishment expenses; and to provide further for other related and incidental matters.

Mr. Crouse: Mr. Chairman, as I stated a moment ago to the minister I am unable to verify whether or not we can conclude the

debate on this resolution. I believe he understands the reason I am unable to give such an undertaking. However I wish to thank the other members of the committee for having granted permission to continue discussion of the resolution at this time.

Since this resolution proposes to regulate interprovincial and export trade in freshwater fish, one of the first questions that comes to mind is as to whether the federal government obtained agreement with all the provincial governments concerned, before proceeding with this arbitrary legislation which presumes to take over some of the authority now vested in the provincial governments? I believe this question must be answered, in view of the present government's attitude toward existing shared cost programs which eventually will leave the provinces with social care programs which they will have to run and finance by themselves. Will this program operate, as the resolution states, on a self-sustaining financial basis and, if so, how will the individual fisherman benefit from this scheme. It seems to me that at the present time the inland fishermen are overloaded with overhead. Before their catch reaches the consumer, who primarily is in the United States, it must go through the hands of the dealer, the processor, the exporter, the United States importer and, finally, the United States retailer.

With all this overhead is it any wonder that there are no worse pockets of poverty in all Canada than those found in the northern sections of our inland fishery. And now these poor fishermen are to have an additional board which will be supported out of their meagre earnings, because this resolution states that the board is to be self-sustaining. I ask the minister: How do you lighten a man's load by adding to his burden?

Just what is the situation within the freshwater fishing industry in this country? Normally, the supply of freshwater fish in Canada runs between 100 million and 125 million pounds. Its value to an estimated 7,000 fishermen is approximately $8½ million with an export value of $13 million. The most important species in terms of income to the fishermen are whitefish, pickerel, sauger, lake trout, pike, perch, smelt and cisco. The importance of this industry is evident when one compares these figures to the over-all total Canadian production which amounts to two and a half billion pounds, valued to the fishermen at $162 million. For some time many of these inland fishermen have been unable to obtain an income from fishing which would provide them with an adequate standard of living. Some of them have been able to supplement their low income from fishing through taking part time employment, but many freshwater fishermen have no other employment opportunities and consequently are living at subsistence levels. Primarily such conditions exist in northern Ontario, the northern parts of the prairie provinces and the Northwest Territories. In these areas the failure of the freshwater fisheries to support normal living conditions is associated more and more with the Indian and Metis, as more of these people have entered the commercial fisheries in recent years.

The marketing of pike, pickerel, whitefish, sauger and lake trout is of major concern to the 7,000 fishermen, 300 dealers and 35 exporters in the western inland fisheries and in northern Ontario. To add to their problems the incidence of parasite infected whitefish is increasing. This is of concern to everyone, since 70 per cent of the freshwater fish from the Northwest Territories and approximately 50 per cent of the catch in Saskatchewan and Manitoba are whitefish. The presence of the parasite is a major problem to the freshwater fish industry because the United States food and drug administration prohibits the entry of infected whitefish under the food, drug and cosmetics act of 1906. All whitefish entering the United States are therefore subject to inspection and rejected shipments, having suffered considerable deterioration in quality are returned to Canada and are subsequently marketed for a greatly reduced return in the domestic market.

In order to minimize the effect of this action of the Canadian freshwater fishing industry and to determine the amount of infection, the whitefish export inspection regulations were established on March 8, 1951 under the Canadian Fish Inspection Act. Under these regulations inspection is carried out by Canadian inspectors who cut up a number of whitefish from each shipment to determine the incidence of the parasite. However, the fish used as samples are not paid for by the federal government and they represent a loss to the exporters and the fishermen. Unfortunately, even with this Canadian inspection at export points, and their rejection of some 5 per cent of all shipments, a great deal of whitefish continue to be rejected by United States inspectors—something in the order of 15 per cent of all shipments—because the samples used in both

countries to determine infection are too small to give consistent results.

It is obvious therefore that there is little ground for confidence on the part of the United States authorities in the methods used by Canadian authorities to determine the rate of infection in whitefish. Since the presence of this parasite and the present system of inspection and re-inspection is without question one of the most important problems affecting any single species in the freshwater fishing industry, I cannot help but wonder why the federal government has not taken action to help solve this problem. Why did not the federal government improve its inspection service at the processing level, where the fish are packed, in the same manner that codfish and saltwater fish are inspected? In this way there would be a greater quality control at the producer level and, since top quality commands top prices in any commodity, part of the freshwater fisherman's problem would be solved.

I would also ask this government why they have not made a formal approach to the United States government requesting them to establish a set of standards for the inspection of whitefish which is mutually satisfactory to both countries. We must know, for example, that a fish which has been graded as "clear" in Canada at the source of production will be accepted as "clear" by the United States food and drug administration inspectors. It seems to me that a set of standards could be adopted which would be universally accepted by both countries and which would help eliminate some of the losses presently borne by the inland fishermen. In fact I submit that this is the course which will have to be followed by the government, regardless of the final method used to market our freshwater fish because quality control at the source is the key to the entire problem.

This action might well be taken under a progressive program of education as was listed in the magna carta put forward by Mr. Robichaud, the former minister of fisheries, in his proposals for the entire industry.

• (5:10 p.m.)

Another factor adding to the low returns received by the freshwater fishermen is the fact that fresh fish spoils quickly unless properly iced or refrigerated. In view of the distance between our major exporters and the importers in New York, Chicago, and Detroit, and the absence of effective quality control in Canada, our exporters are frequently faced with claims of poor quality, with no assurance that such deterioration has in fact taken place and, if it did, whether it occurred prior to arrival or resulted from mismanagement at the hands of the importer. This applies to fish exported in the whole round or in dressed form; but generally speaking it does not apply to fish fillets. At present over 95 per cent of all freshwater fish exports or three quarters of our total Canadian production is exported to the United States. In fact, we are the only foreign supplier in that market and U.S. importers depend on Canadian production for nearly all their requirements of pickerel, pike, sauger, whitefish and lake trout. However, in Chicago and Detroit two out of nine importers handle most of the Canadian shipments from some 35 exporters, which makes these two importers the dominant controllers in the pricing of round or dressed freshwater fish.

After making a study of the freshwater fishing industry and comparing it with the saltwater fishing industry as I know it, I can only conclude that the freshwater fishing industry has not progressed very far from the days of Peter, the great fisherman of Bible days. The supermarkets are today the great retailers for the fishing industry. Canadian exporters generally encounter fewer problems and have a stronger bargaining position when marketing fillets than when selling dressed fish; and today's modern housewife has indicated she prefers fillets to fish in the round or dressed state. Exporters can sell fillets, not to an importer distributor, but direct to a retail chain or large outlet. Since there are a large number of importers of fillets, control over the export of fish in this form is not nearly as concentrated as for round or dressed fish. I would therefore suggest that the government give greater consideration to the services provided to our freshwater fishermen by our exporters and dealers before they concur with the recommendations of the provinces which grant licences to some 93 exporters in our freshwater fishery areas. Exporters and dealers should be requested to upgrade their storage facilities and filleting equipment; and with closer quality control our freshwater fishermen could enjoy a better price for their product.

To ensure that our freshwater fishermen are better informed of the prices paid for their product in our major United States markets, I would also suggest that the federal government use the facilities of the C.B.C. to broadcast a daily fisherman's log through the

network of stations covering our inland fishing areas. This would be helpful in keeping dealers and fishermen on their toes and would help to bring about some uniformity of prices paid to our freshwater fishermen who must of necessity carry out their operations in areas separated by vast distances.

There are many other matters I wish to raise which might be helpful to our freshwater fishermen, but I will not do so, since I believe my time is running short. I look at this resolution with mixed feelings. It seems to be a direct contradiction of the fisheries minister's statement made in Boston on October 18, 1968, when he said this:

> I believe in free enterprise, and I believe in the free interplay of supply and demand. I believe that competition is an important discipline in our economic system. And I believe that competition is, itself, the best assurance that the consumer at the market end of the line will get his fish at the lowest possible price. Having said that I must be quick to point out that there are too many obstacles to free enterprise, to free trade, and to the effective marketing of our fishery products. These barriers should be torn down so that all these forces should be free to work for the common good.

I ask the minister of Fisheries what has happened to these high sounding ideals? I am sorry to see that he is not in his seat this afternoon. I realize of course that he may be absent trying to solve some of the problems of our fishing industry at the present time. I ask why he does not assist the fishermen and the freshwater fishing industry in the modernization of its plants and equipment, as promised by his predecessor? Or for that matter, why does he not use the Fisheries Prices Support Act to beef up the prices of those fish which are producing incomes below the poverty line so that "economic encouragement is adopted", as promised by Mr. Robichaud? He also promised improved credit facilities for our fishermen; and this promise, if implemented, would help our freshwater fishermen to get boats and equipment so that they would not be dependant on the fish merchants.

Why has no action been taken by the government on order No. 9, the measure to amend the Fisheries Improvement Loans Act, which would help our inland fishermen obtain boats and equipment? This has been on the order paper since parliament opened. With an apparent lack of understanding of our problems on the part of the government no action has been taken on this very vital and necessary piece of legislation. New research programs would help our freshwater fisherman to properly ice and improve the quality of his product. Exploration programs may also clean up some of the pollution of our rivers and lakes which has cut the earnings of our Great Lakes fishermen in half. And technical training could help all our fishermen, both inland and on the coast, in faster and easier methods of catching fish. The promises have been made to our fishermen. They were made to them in 1964 and it is time we saw some action.

I said I looked at this resolution with mixed feelings. I do so because it leaves many questions unanswered. For example, who will appoint the representatives of this corporation; will they be appointed by the federal or by the provincial governments concerned? How many will there be, and how great a load will their salaries and expenses be on the backs of the average freshwater fishermen? How many provinces and areas will be covered? Does the resolution cover the entire great lakes area with its large perch, smelt, bass and cisco landings? If it does not cover the southern part of the great lakes area, including lake Erie, and the marketing corporation principle is sound, why was this area excluded? What effect will this have on our fisheries sales in the U.S. which refused to lower the tariff on yellow perch when it was supported last year by the Fisheries Prices Support Board, at a loss of $523,535.13? If this had been the freshwater fish marketing corporation, who would make up the loss, the government or the fishermen? How are the prices under this corporation to be determined? Who sets the market? Who is the government guesser? What will happen to the plants made redundant by this legislation?

The minister said, as reported at page 3465 of *Hansard* for December 3:

> The corporation would not be intended to duplicate existing facilities of the industry. It should seek to reduce unnecessary duplication of facilities—

Those are his words.

The Deputy Chairman: Order, please.

Mr. Crouse: Mr. Chairman, may I have your indulgence, to continue for a minute or so, and finish.

Some hon. Members: Agreed.

Mr. Crouse: I ask the minister, who will buy these plants? Will it be the federal or provincial government? What alternative employment programs are planned for these people who will be thrown out of work?

Since some lakes are far away from the United States market, while others are close at hand, who will absorb the difference in transportation costs—the corporation, the government, or the fisherman?

In view of these concerns and many others, Mr. Chairman, I will reserve my judgment of this resolution until I see the bill, at which time I hope to have something further to say and I hope some of my questions may be answered.

Mr. Brewin: Mr. Chairman, I will keep my comments on this resolution very brief. Our party welcomes this resolution. We are not devoted or doctrinaire adherents of free enterprise—to echo an expression which I think the minister used on December 3. I think this particular form of free enterprise has left many fishermen in destitution and we are all in favour of seeing the corporation set up without delay, in order that it may help in the marketing of the products of the fishermen.

I must confess that I find myself slightly surprised to be discussing the subject of fisheries. I do not pose as an expert, though I am an appreciative consumer. My own constituency of Greenwood in Toronto is an urban constituency and not noted as a fishing centre. Yet it happens to be a fact that in our area there is a prospective fishing industry. We are right on top of a very large body of fresh water, lake Ontario, and I am given to understand that there is a real opportunity to develop a fishing industry through the use of modern methods and modern trawlers, particularly with respect to a fish named shad—and I hope no one will ask me what shad is. I think they have other, more picturesque names for it than shad. But I am told by some of my constituents that there is a very real opportunity for development in this field. This is what makes me ask the question. The hon. member for South Shore asked why, in view of previous promises made, this legislation applied only to freshwater fisheries. I ask, why is it so regionally restricted? I notice that the acting minister when speaking on December 3 said the bill will enable the establishment of board marketing of freshwater fish produced in the prairie provinces, the Northwest Territories and northwestern Ontario.

• (5:20 p.m.)

The resolution itself is not so geographically restricted. I want to know why freshwater fisheries—and there are some—in other sections of the internal waterways of Canada are to be excluded from the benefits of this legislation, if indeed that is the intention. I do not begrudge the benefits of the legislation to people in the prairie provinces, the Northwest Territories and northwestern Ontario. There may be an urgent need there. But why should the legislation be restricted, if indeed this is the case, to these particular geographical areas? I presume that if northern Ontario is to be included, Ontario will be one of the provinces co-operating in the setting up of the corporation. But I still do not understand this limitation and would like to know the reason for it.

I will conclude my remarks by saying we welcome this resolution because it seems to us, without having seen the details of the bill, that it represents a very healthy approach to some of the problems of people who are living under conditions of extreme poverty in this country. It envisages co-operation among the producers, the provincial governments on one side and the federal government on the other. Any illustration of this sort of co-operation among producers and governments both provincial and federal to raise the standards of our people is something that meets with our approval.

Mr. Ritchie: Mr. Chairman, in commenting on the resolution for the introduction of a bill to establish a freshwater fish board with powers to buy fish direct from the fishermen and sell to the ultimate consumer, mainly in the United States, I would say that the bill is the result of the McIvor commission report of 1966, which has since created throughout the industry indecision, indirection and a lack of purpose to the extent that the industry is languishing because almost no capital has been invested in it. This is the situation as far as the processing and transportation of freshwater fish is concerned. Therefore this bill is welcomed because it will put an end to the indecision that for the last three years has plagued the industry.

The fishing industry in my riding borders lakes Winnipegosis and Manitoba. It has provided almost half of Manitoba's freshwater fish. The industry has been active for over 70 years and has provided a livelihood, although a dwindling one, for a number of citizens in that time. Unfortunately, during this time there has been little improvement in the methods of fishing and little upgrading in the output per man-hour. It seems to me that the industry, being small and the fishermen

individuals who often operate part time, does not lend itself to large capital investment that would improve the output of high quality fish. Indeed, I am told that other than the introduction of nylon mesh nets there has in the past 40 years been little change in the fishing on lakes Winnipegosis and Manitoba.

The fishermen involved vary from families who over the years have found the industry has provided them with an occupation giving a reasonable standard of living, down to many marginal people who eke out a living on a part time basis. One survey indicates that over half the fishermen are Indians, with many more Metis people, so that in many respects this board could be considered to be a development board with the idea of helping these people to either achieve a better standard of living with increased income or phase out their operations and disperse the fishermen into more gainful occupations which will provide a better income.

Approximately 80 per cent of the fish is sold on international markets, mainly in Chicago, Cleveland and New York. Although the minister has implied that the freshwater fish industry has an almost captive market, it comes into competition with saltwater fish, meats and other animal protein foods, so there is a definite limit to what this product will bring in markets related to other meats. In other words, the price is dependant on the price of other consumer meats in the great American cities where freshwater fish is marketed.

One of the great problems of the industry has been the failure to supply a uniform product to the consumer and the inspection and grading of fish has been inadequate, resulting in wide variations in quality. This has detracted from the saleability of the fish. In this area the government, either provincial or federal, which alone can supply adequate inspection facilities, seems to have been derelict in its duty.

The fish products have been bought by fish companies, which in turn have exported the fish to the United States markets. The fish companies need export licences which are obtainable from the province in which they operate. My understanding is that over half the fish the marketing of which will be affected by this bill comes from Winnipeg. These companies vary a great deal in size, facilities and ability to market fish in the continental U.S. markets. Some companies in Winnipeg—these are limited to four or five—seem to have adequate storage, marketing, processing and transportation facilities and have been able to advance to the fishermen a reasonable amount of money as an initial payment. However, there are other companies with very limited facilities to process, store and export fish and there has been complaint that such companies may operate to drive down the price of fish to the producer. It is hoped that this board will provide a more orderly marketing in the freshwater fish industry.

There has been widespread feeling among fishermen that the fish companies have taken advantage of the economic position of the fisherman and his vulnerability to changes in price and supply, and have made considerable profits at the expense of the fishermen. The fish companies' reply to this complaint is that their profits have not been large and that an examination of their books would not indicate that theirs has been a very lucrative business. Another complaint is that the fish companies have not made any great effort to expand marketing facilities or invest further in processing and storage. The implementation of this bill will at least settle that problem, whether it be that the fish companies should expand further or be taken over by the government.

• (5:30 p.m.)

One of the problems, of course, is that the fish caught are of two main varieties. There are those of the marketable variety bringing a fairly good price on the market, and large quantities of so-called coarse fish that have a very low saleability. Various uses of this coarse fish have been investigated, such as use in conjunction with alfalfa plants etc., but the answer from the processors is that it is quite an expensive method of providing protein, even at the low price which the fish bring to the producer. However, these coarse fish must be removed, along with the saleable varieties, otherwise the lakes would soon produce no fish at all, so in some aspects fishing is necessary in order to keep the good species available. One of the most promising aspects of the statement of the minister is that research will be carried on to attempt to make the lakes more productive, and I feel that in the long run this is an approach that might well make the industry reasonably productive and provide for its people a reasonable level of income.

I should like to point out that marketing boards in the past have been less than successful in many fields. Most marketing boards that have been successful have dealt

with commodities such as grain, that is non-perishable, which have relatively few importers or exporters and which can be stored for long periods of time.

Even producer boards which operate in the interest of producers alone have not always fared too well. When there is a marketing problem, the reference of the marketing to a board does not automatically ease the problem or cure it. The seasonal nature of the freshwater fish industry, the low level of the productivity of many of the fishermen, the scattered nature of the various sources of fish, scattered over hundreds of thousands of square miles, and the fact that the fishing industry as a whole is in a serious state, as we well know from listening to the maritime members in this house, coupled with the fact that many of the freshwater fishermen are at a sustenance level, will make the work of this board difficult for some time. The hope is expressed that this board can bring about rationalization, price stability and marketing quality.

I will await this bill with considerable interest to see what ideas the government may have on bringing a reasonable degree of stability to this industry. However, I will withhold my judgment whether or not his marketing board will be successful in raising the level of income of the fishermen who are mainly living at a sustenance level,

Mr. Lundrigan: Mr. Chairman, I think it is in order, in beginning my few remarks on this resolution, to refer to the fact, which is perhaps more important than the resolution itself, that we do not have with us today either the Minister of Industry, Trade and Commerce or the minister to whom I and my colleagues have posed questions day after day concerning the marketing of fish, namely the Minister of Fisheries or his parliamentary secretary. This perhaps in itself is indicative of an attitude which has pervaded the nation regarding the fishing industry of Canada. We have been asking questions day after day regarding the government's position on fisheries, its policy and its programs. We have had nothing more than shrugs of shoulders and frivolous remarks here and there, a sort of comic relief for the house, when the problem of fisheries is brought before the house for discussion. I think the absence today of the ministers concerned and of other members who should be taking an active interest in fisheries should be brought to the attention of the house because one of the saddest things about our fishing industry is that no one in the Liberal government seems to care very much any longer about what is going on.

In 1963, amazingly enough, the Pearson government during its election campaign made a great statement that the government, if elected, would bring before the house and put before the nation a great program to solve the problems of our fishing industry. Of course, true to the words of the man who became prime minister after the 1963 election, a meeting of the provincial ministers of fisheries was held in 1964 at which a statement was made, which was quoted today by the hon. member for South Shore, that the federal government was going to bring forward a Magna Carta for the fishing industry of Canada. This statement was made by the former minister of fisheries, Mr. Robichaud.

In considering the resolution before the house today we are reminded of the words of the President of the Privy Council spoken on December 3, 1968 as recorded at page 3464 of *Hansard*. This is what he said:

> I might remind hon. members, Mr. Chairman, that in 1964 a federal-provincial conference established a committee to study this whole question. After this study was made, in 1965 the McIvor commission was appointed to look into the question. The commission agreed largely with the findings of the province of Manitoba, which had also studied the matter and in which province aproximately 40 per cent of the production originates.

I can only conclude that what we are studying here now is the magna carta for the fishing industry of the Canadian nation. Day after day since the house opened in September we have posed questions regarding the government's policy on fisheries. We asked what the government's position was regarding the whole fishing industry of Canada.

Mr. McGrath: They had no policy.

Mr. Lundrigan: I agree with the hon. member that they had no policy. Back in September some of my colleagues asked questions of the Minister of Fisheries who answered that the government was going to make an announcement very shortly on the fishing industry of Canada and on its policy. We have received the same answer day after day. Meanwhile, the industry has gone on the rocks, and now we are faced with a resolution which was brought in the first day the house opened and which is presented to the house for debate only today. I wonder why it has taken so long to come before the house, and yet we are to believe that this is the magna carta for the fishing industry. My great regret is that some of my colleagues

who have a great knowledge of the fishing industry were not given the opportunity during the past election—but perhaps they will have it in the next election—to bring their influence to bear in solving many of our problems.

I should like to draw the attention of the house to a remark which was made with regard to the resolution. May I say that if the goals of this resolution are ever to be reached, then nobody can take exception to it. Of course the ideals were enunciated at page 3464 of *Hansard*, as follows:

> The objectives of this legislation will be a more orderly marketing for the benefit of the whole fishery, and by this means the achievement of higher and more stable prices for the catch; to provide the fishermen with a better share of the market value of their fish; and to expand total sales and over-all production in the fishery.

These ideals, as enunciated in the house on December 3, cannot be taken exception to. I think it is commendable of the government to have such an attitude, but I wonder if this answers all the problems faced by the Canadian fishery. I contend that there is a great contradiction between this statement on the goals of the resolution and a statement contained in the resolution which states that the purpose of the marketing board is:

> —to provide that the corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament;

Might I stress the fact that the marketing board is to conduct its operations on a self-sustaining financial basis. I think it is a very important statement.

There is another point which concerns me—and I regret, as I am sure do all hon. members, that the Minister of Industry, Trade and Commerce and the Minister of Fisheries are not here to speak on that point. I wonder if it is true that the government has given up its interest in the Canadian fishing industry, which appears to be the case. I am not sure whether this is a result of the government's lack of interest, or of some pressure being put on it from the outside. For example, I remember asking the Minister of Fisheries a question during a committee hearing about two weeks ago to which he replied that a commitment had been made to the United States government that the deficiency payments to the fishing industry would be discontinued at the end of October. There was a further commitment that the government of Canada would not involve itself in any form of assistance to the industry that may be construed as aid or as a subsidy. I am wondering if this is the reason for the inclusion of this definite indication that the industry has to pay its way. I would be delighted if this government could introduce a program indicating the government's desire to put the industry on its legs. Then, if the industry shows it can be self-sustaining we will be satisfied, but that provision should be made before the industry is asked to be self-sustaining. The minister made a similar statement in Boston, and it is included here. He said we were setting up a corporation to help the industry. The first thing the government says, however, is that the industry had better pay its way because the government is not going to give it any assistance.

• (5:40 p.m.)

The minister admits the United States government has not taken issue with this attitude. The U.S. government stated they were going to go along with the commitment that no help would be given the industry, regardless of the situation in which this already disabled industry finds itself. Again we have to look back upon what has happened in the past few months. The federal government was paying the Atlantic fishermen a little assistance on the salt they used for the preservation of their catch. This amounted to $300,000, almost as much as will be spent on the great festivities connected with the opening of the cultural centre in Ottawa. This was the amount of money being paid by the Canadian government to Atlantic fishermen. It was taken away at the beginning of this year. Then we lost the insurance which was being paid for the fishermen. This insurance was taken away on the flimsy excuse that not many people claimed losses, so it did not serve any purpose.

The deficiency payments were cut off as of October 30. These things indicate the way this government has literally given up the ghost on this industry and allowed it to go by the boards. If this is the answer with which the government of Canada is coming up for our fishing industry for the whole country, then I say we are in an extremely sad state of affairs. We are all aware of the many problems the industry faces. Only last Friday evening my colleagues in this party had a chance to present to the Minister of Fisheries the serious state of affairs facing the fishing industry on the Atlantic coast. I am not sure that we convinced him how serious the situation was. This week there was the announcement of a very tragic situation. I think perhaps some hon. members might not agree

with this, but one of our biggest fishing industries announced that it was closing. We have lost four fish plants and we will lose another ten on the east coast in another week or so. Four thousand people are out of work right at the moment.

My colleague, the hon. member for St. John's East, as well as other members, rose in the house on the day the announcement was made, to question the Prime Minister. He shrugged his shoulders and said he was unable to pull the answers out of his hip pocket. His ministers were not in the house. We did not get any chance to ask the Minister of Fisheries any questions, nor did we get any satisfactory answers. I am afraid the whole economy of one of our provinces will go by the boards unless the government listens to representations from the Atlantic area. I am sure some members in the house have wondered if the situation were really serious, but I am sure they realize now the serious condition of the industry.

We have a prices support board which came into existence a number of years ago. There was a review of that program and the board was reinstituted in 1952. This prices support board gives the government all the power it needs to take care of the slump in our industry. The government has done nothing. The industry is going on the rocks and we sit by. We are going to wait until tomorrow or next week, but still nothing worth while comes from the government. I am wondering if the government has the intention of trying to beef up the industry, or if it is going to sit by and allow it to go on the rocks. If we do not get action of a general nature in a matter of weeks, we won't have to worry. As I think the hon. member for Bonavista-Trinity said last week, we will not have to solve the problems of the fishing industry but instead we will have the problem of creating a fishing industry, since there will be nothing left.

I am not going to continue any longer. I believe some concepts in the resolution are healthy. I think the expansion of this idea in some directions might be healthy, too. All I am saying is that it grieves me to stand here in the house, having taken up fisheries problems in Canada since 1964, and have to accept this as the Magna Carta of the fishing industry. If this is the Magna Carta of the fishing industry, then God help it.

Mr. McGrath: Mr. Chairman, we see no basic objection to this resolution, and we are anxious to see the bill. I do notice that the resolution contains a statement that the corporation shall conduct its operations on a self-sustaining financial basis. We are very anxious to look at the bill to see what is meant by that because, as the hon. member for Gander-Twillingate has just said, in our view it is impossible to envisage any segment of the fishing industry of Canada on a self-sustaining basis. The fact is this industry in Canada cannot sustain itself and can only be sustained by means of federal subsidies.

Last night the Minister of Fisheries appeared on national television. I regret that he is unable to be here tonight for this debate. It is further regrettable that his parliamentary secretary is also absent. The Minister of Industry, Trade and Commerce is not here, either. In my opinion, the absence of these ministers is characteristic of the arrogance and the contempt that this government shows for the fishing industry of Canada. Surely the Minister of Fisheries must have realized that, bearing in mind the events of the past few days, his presence in the house tonight to debate the resolution on which this bill is founded, dealing as it does with freshwater fish marketing, would be most important.

Last night on television the minister made some extraordinary statements. He referred to the centralization program which is taking place in my province. this is a federal-provincial program whereby the government of Canada and the government of Newfoundland proceed to centralize people from small fishing settlements, and put them in communities where, in the view of the governments, it would be more feasible to provide them with job opportunities. In actual fact, it just makes it more practical to apply welfare, because that is all they are doing, making it simpler to apply welfare by taking people from small fishing settlements and centralizing them in larger settlements.

• (5:50 p.m.)

Referring to this program on television last night, the minister admitted that the government had made some mistakes, that they had moved people in the wrong places. The minister is not talking about cattle, or about boats, or fishing gear, he is talking about human beings. Yet on national television he admitted that the government had moved people in the wrong places, that it had made mistakes but is improving the program. In my view this is another example of the government's callousness and arrogance in dealing with the fishing industry of Canada.

We had a manifestation of the same arrogance a few months ago when the minister cancelled the salt rebate program. Granted, this was an ad hoc program, but the minister cancelled it right in the middle of the fishing season. The obvious question to ask is: Why not wait until the end of the season? The program had been in effect for many years, and its cancellation in the middle of the season brought great hardship to the fishermen on the Atlantic coast.

What alternative program did the government offer the house? They had no alternative. The government were not prepared to say to the house that although they were doing away with the salt rebate program they were implementing another program in its place. "Let them eat cake" is the answer of this government to the fishermen of this country.

On the same television program last night the minister also made the extraordinary statement that there would be additional closing downs of fish plants. In the name of efficiency, he said, more plants would have to close down. He said this in the midst of a developing crisis, four fish plants having already had to close down, two fish plants having had to close down in my constituency during the last two years, and one fish plant having closed down a few months ago in the constituency of the hon. member for Humber-St. George's-St. Barbe. This makes a total of seven closings in the last two years. Yet the minister admits last night on national television that there will be still further shutdowns.

Mr. Marshall: Some Christmas present!

Mr. McGrath: As the hon. member says, some Christmas present to the fishermen of Canada! Some Christmas present to the people of Newfoundland! Some Santa Claus!

A close comparison to this callous inhumanity on the part of the government is the program that the late Mr. Stalin instituted in Russia in the 1930's whereby, in a move to make the Russian agricultural industry more efficient, the administration set out to destroy one million peasants. In a move to make our fishing industry more efficient, this government has set out on a deliberate policy of doing away with the few jobs that do exist today in the fishing industry in Canada. As the minister said last night on national television, there will have to be further shutdowns of fish plants in the interest of efficiency.

What kind of government is this? What kind of heartless ministry is this that could so callously and cold heartedly comment in this way upon the real and human tragedy that is involved? The hon. member opposite who laughs would probably not be so amused by this if he knew some of the statistics that we are aware of. For example, the average income of the Newfoundland fisherman is $1,000 a year.

Mr. Marshall: It will be less after this.

Mr. McGrath: It will be less after this, because it will be nil. These fishermen still have to buy food and pay the same prices paid by people much better endowed. They still have to buy their gear. What is even worse, they have to suffer under a government that does not seem to care about them. "Let them eat cake" is the attitude of the government. Let more plants close down.

The minister admitted that there were a few efficient plants in the maritimes and that he still has great hopes for the industry and that it will become more efficient. Then he said that the government will come up with a program in its own good time. As a matter of fact, he said, if I may paraphrase him: We plan on coming in with a new program in March of next year.

The hon. member who has just taken his seat referred to the Magna Carta of the last government, which was in January, 1964. According to the Ottawa *Journal* for January 25, 1964, Hon. H. J. Robichaud announced a Magna Carta for fishermen. The fishermen were to be placed on a par with the farmers of Canada. If I may just read part of this article, it commences:

> Winding up five days of closed talks, the federal-provincial fisheries conference came forth Friday with a pledge to design a national development program that would bring Canadian fishermen the same benefits given to farmers.

In 1964 the same government was in power that is in power today. We have a new Minister of Fisheries from the province of British Columbia, of which he boasted last night when saying some disparaging things about the province of Newfoundland, to the effect that we can only suffer by comparison. But still there is no fisheries policy in this country. Where is the Magna Carta of 1964, so much talked of and so much heralded, in the program of the government today? Even the premier of Newfoundland, Mr. Smallwood, was ecstatic about the conference results. According to the article he said there was agreement on all sides for the proposition that the fishing industry should be treated the same as agriculture, and he called it a Magna Carta for the fishing industry.

Today we see seven fish plants having to close down, or in the process of closing down, and the minister announcing on television last night that there will have to be further shutdowns if the industry is to become more efficient. I have one question for the Minister of Fisheries, and I am sorry that he is not here now. What is to become of the Canadian citizens who eke out a living working 50 or 60 hours a week in fish plants and consider themselves blessed to have the opportunity to do so? What will become of them if there are further shutdowns in the industry?

In the Atlantic provinces today this government stands condemned as being without heart, cold and calculating. One can only compare its policy to what happened in Russia in the 1930's.

An hon. Member: Six o'clock.

Mr. McGrath: The hon. member says "six o'clock". It looks as though it is the eleventh hour for the fishing industry because it is on the verge of total collapse.

I have one further comment to make. If the government does not realize the seriousness of the situation and what is involved in human terms here, then we will have a crisis in this country that will be unprecedented in its proportions.

Before I resume my seat may I say we are anxious to see the legislation. The freshwater fish industry will be affected by the legislation, and the provincial governments are both involved and anxious to see this bill, as are all of us. Therefore, Mr. Chairman, we have no objection to the resolution passing at this time.

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, might we fail to see the clock for a moment and with the consent of the committee, if no other hon. members wish to speak, carry the resolution and see the bill?

Mr. Crouse: We on this side are agreed to that, Mr. Chairman.

Mr. Lang (Saskatoon-Humboldt): I think many of the questions asked by hon. members opposite will be answered, or certainly sharpened, by the bill itself, and I look forward to their having the chance to see it. The bill has resulted from many discussions between the provincial governments and the federal government, and of course the report of the McIvor commission.

One hon. member asked whether this was a matter in which the provincial governments had co-operated or were willing to accept. It is indeed something that they want very badly indeed. I may say to the hon. member for Greenwood that the question as to which areas are included under the bill depends largely upon discussions and the indications of interest by the provinces in regard to what can be worked out at this time. This bill and all the discussions connected therewith have had the very close attention of the Minister of Industry, Trade and Commerce as well as the Minister of Fisheries, who unfortunately cannot be here at the moment because both are on urgent government business. I was joining them when I was suddenly and somewhat unexpectedly summoned to deal with this matter.

• (6:00 p.m.)

I thank hon. members for their patience. I should like to express appreciation to the hon. member for Battleford-Kindersley and to the hon. member for the Northwest Territories for agreeing to reserve their comments until second reading. I may say I have also discussed this matter with the hon. member for Essex, the Parliamentary Secretary to the Minister of Fisheries, who is keenly interested in this subject.

A board of the kind proposed could do a great deal to meet the marketing problems of this industry, and the difficulties surrounding its rationalization. It could help to deal with the situation which arises when a number of suppliers are suddenly able to enter the market. I look forward to further debate on the bill and on that occasion I shall try to deal with the sharpened questions asked by hon. members.

The Deputy Chairman: Shall the resolution carry?

Mr. Crouse: On division.

Resolution reported and concurred in.

Mr. Lang (Saskatoon-Humboldt) (for Mr. Pepin) thereupon moved for leave to introduce Bill No. C-148, to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation.

Motion agreed to and bill read the first time.

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

HOUSE OF COMMONS

Thursday, December 19, 1968

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, 19 December 1968

Sir,

I have the honour to inform you that the Honourable Gérald Fauteux, 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 19th December, 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 Général
Assistant Secretary to the Governor General.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: Order. A message has been received from the Senate informing this house that the Senate has passed Bill No. C-141, an act to grant Her Majesty certain sums of money for the public service for the fiscal year ending March 31, 1969.

[*English*]

PRIVILEGE

MR. MUIR (CAPE BRETON-THE SYDNEYS)—STATEMENT BY MINISTER ON INFLUENZA VACCINE

Mr. Speaker: The hon. member for Cape Breton-The Sydneys (Mr. Muir) is rising on a question of privilege. I wish to remind hon. members that according to the rules there should be an hour's written notice to the Chair. The hon. member, however, did send a written notice, and in view of the prevailing Christmas spirit I would think this should satisfy the rules of the house. I gather that the statement is to be of a brief nature.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise on a question of privilege to draw attention to the statement by the Minister of National Health and Welfare (Mr. Munro) on Tuesday, December 17, which can be found at page 4035 of *Hansard* regarding the Hong Kong influenza vaccine. The minister stated at that time:

> We hope we will have a supply in Canada by mid January.

The fact of the matter is the vaccine is now available for selected cases. The aged and those suffering from certain illnesses have a priority. The vaccine is now being supplied by one of the research-based pharmaceutical organizations in the United States. It is my view that the statement by the minister might well mislead many people who should now be contacting their family doctors for the vaccine into not contacting their doctors until January. It may well be that the minister is today in a position to provide further information to the people. Naturally I hope this is the case. I feel also that the hon. member for Simcoe North (Mr. Rynard), a prominent physician in Canada, should be commended for his knowledge of the circumstances and for initially alerting the house and the country to the situation.

In conclusion I wish to quote from a letter that was forwarded to doctors on December 11 by Merck, Sharp and Dohme of Canada announcing the availability of the vaccine in question. The letter states:

> Due to the limited supply of this product it is recommended that you give treatment priority to those persons with the highest risk of severe complications as a result of influenza.

If the minister needs any further convincing I have here a syringe and the vaccine, if he would like to have a shot.

Mr. Speaker: Order, please.

INDIAN AFFAIRS

ST. REGIS INDIANS—MOTION FOR COMMITTEE CONSIDERATION

Mr. Frank Howard (Skeena): Mr. Speaker, the provisions of standing order 42 read:

> A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent of the house without notice having been given under standing order 41.

I hope to take some action under that standing order by asking subsequently for the

unanimous consent of the house to present a particular motion and to precede it, as the standing order indicates, by explaining the reason for the motion in a very brief way.

• (2:40 p.m.)

My reason for this arises from the arrest yesterday of more than 40 of the St. Regis people of the Iroquois nation near Cornwall, people who have suffered insouciance and indignities at the hands of the government for many, many years. High honour and high recognition were given to the Indians in the treaty signed between the United States and Great Britain in 1794, commonly known as Jay's treaty, which said that the Indian people had the right to cross the international border without paying customs duty. Perhaps I should read what the treaty says in article 3:

—nor shall Indians passing or repassing with their own proper goods and effects of whatever nature, pay for the same any import or duty whatever. But goods in bales or other large packages unusual among Indians shall not be considered goods belonging bona fide to Indians.

The government of Canada never presented this treaty to parliament for ratification, and as a consequence it has been held to have no force and effect. The Indian people concerned have waited patiently for the government to take some action ever since this decision by the Supreme Court was handed down a dozen years ago. The government also expropriated certain Indian lands in the Cornwall island area. Contingent upon that expropriation was the thought that an agreement would be reached with respect to it, but to date the government has not even had the common courtesy to make efforts toward such an agreement.

As a result of these and many other situations the people at St. Regis finally expressed their indignation yesterday by means of a demonstration which saw more than 40 of them arrested. In addition to these events the mayor of Cornwall is reported to have made a statement to the effect that the city of Cornwall had extended the boundaries of the city a dozen years ago to include Cornwall island; in other words that it is no longer reserve land, and that the people there might expect to receive taxation notices from the city shortly.

On this basis I should like to move:

That it be resolved by the House of Commons that it is urgent and expedient to authorize the standing committee on Indian affairs and northern development to meet forthhwith and proceed as quickly as possible to hear evidence on

[Mr. Howard (Skeena).]

1. The document signed between the governments of the United States of America and Great Britain in 1794, commonly referred to as Jay's treaty, and the effect that this treaty has upon the Indian people as well as the matter of parliamentary action with respect to the treaty.

2. The action of the government of Canada in expropriating certain lands of the people of the St. Regis Indian reserve for any purpose whatever.

3. The relationship between the people of St. Regis and the St. Lawrence Seaway Authority or any other agency, branch or department of government.

4. The matter of the city of Cornwall's claim that the St. Regis reserve has been annexed by that city, and

5. Any other matter which the people of St. Regis deem it advisable to raise with the said committee.

And for the committee to report its findings and recommendations with all convenient speed and dispatch.

Mr. Speaker: Hon. members know this motion can be put to the house only if there is unanimous consent; this is by virtue of standing order 42, to which the hon. member for Skeena has referred. I have to ask the house whether there is such agreement.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

[*Translation*]

SUGAR

TABLING OF INTERNATIONAL AGREEMENT SIGNED TODAY

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, may I table copies in French and in English of the international agreement on sugar which Canada signed today?

[*English*]

EXTERNAL AFFAIRS

PROPOSED RATIFICATION OF NUCLEAR NON-PROLIFERATION TREATY

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, hon. members will recall that on October 29 I tabled in the house copies of international treaties, agreements or protocols which Canada had signed or acceded to in recent months. Among those treaties was the nuclear non-proliferation treaty.

This treaty, which marked an important new step forward in arms control, was endorsed by the great majority of member states at a special session of the United Nations general assembly. It was then opened for signature in Washington, London and Moscow

on July 1. Canada signed the treaty in Washington and London on July 23 and in Moscow on July 27. More than 80 nations have now signed the treaty and three, Britain, Nigeria and Ireland, have ratified it. We hope that in due course all the nations of the world will recognize the importance of this treaty and accede to it.

Before the non-proliferation treaty comes into effect 43 states, including the three nuclear powers which have signed it, must deposit ratifications. We understand that the United States Senate will consider the question of ratification in January, and that the Soviet union will then make a decision regarding Russian ratification. As a leading proponent of the treaty and one of the major "near-nuclear" signatories, Canada has an opportunity to provide leadership by demonstrating our faith in the non-proliferation treaty. To do this we must take immediate steps to ensure that we are among the first to ratify. A positive decision by Canada may help to exert a favourable influence on other governments whose early support for the treaty is important to its future effectiveness.

The government therefore proposes to take the necessary action to permit Canadian ratification, if possible before the new year.

I am sure members on both sides of the house support the objectives for which this treaty was negotiated and will welcome the fact that the government of Canada now proposes to take steps to ratify it. I hope there will be opportunities in due course to discuss the treaty in the standing committee on external affairs and defence or when the estimates of the Department of External Affairs are under debate in the house. In order not to delay Canadian ratification, however, we would propose to move forward immediately. For this reason I am taking this opportunity to bring the matter to the attention of the house.

As a member of the 18-nation disarmament commitee Canada played an important role in negotiations during the last seven years which culminated in the presentation at the April, 1968 session of the United Nations general assembly of an agreed draft treaty designed to limit the spread of nuclear weapons. Our support for the principles embodied in this treaty has been unwavering. We continue to believe that without an agreement of this nature there is little prospect of progress toward controlling the dissemination of nuclear weapons or toward general disarmament.

In effect the non-proliferation treaty will prohibit signatory countries not now in possession of nuclear weapons from manufacturing or otherwise acquiring such weapons and devices. It prohibits nuclear powers from transferring nuclear weapons or explosives to non-nuclear weapon states. It requires non-nuclear states to accept international safeguards on their nuclear programs but guarantees their rights to exploit nuclear energy for peaceful purposes and to obtain the benefits of peaceful nuclear explosions.

In my opinion the non-proliferation treaty is a significant contribution to the three basic objectives that guided Canadian participation in the lengthy negotiations that led to its conclusion. First, the treaty will reduce the sense of uncertainty and insecurity which aggravates international tensions, accelerates the arms race and increases the risk of nuclear war. It is thus a contribution toward long term world security. Second, the treaty represents an initial but essential step toward the control and reduction of existing stocks of nuclear weapons. Further steps forward are urgently required, and at this current session of the United Nations general assembly I welcomed indications that the United States and the Soviet union are discussing the initiation of talks on the limitation of strategic nuclear armed missile systems, including anti-ballistic missiles.

• (2:50 p.m.)

Our third objective, that effective international safeguards be applied as widely as possible on all the processes involved in the nuclear field, is enhanced by this treaty. By extending and consolidating international safeguards procedures it should facilitate exchanges and co-operation in the peaceful uses of nuclear energy.

Members of the house will recognize, I am sure, that the full potential of the non-proliferation treaty can be realized only if it is respected and accepted by a very large majority of states. The Canadian decision to ratify will, we hope, play a major part in convincing additional countries of the necessity of bringing this treaty into force at the earliest possible date.

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, obviously any international treaty which has the effect of reducing the spread of nuclear weapons will be welcomed by citizens of this country. When I was listening to the minister I thought of all the cliches that could be applied when news such as this

is brought before parliament and before the country, and I have tried to discipline myself not to repeat them. I thought it somewhat of a paradox that two of the earlier countries ratifying the treaty should be the United Kingdom and Nigeria, which have not found a civilized way to end a terrible tragedy. However, that is just a comment in passing.

The announcement by the minister gives all of us in the house an opportunity to recall the special service rendered to the nation and to the world by General E. L. M. Burns who, if newspaper accounts are correct, is about to end his very unique service to this country. It also gives us an opportunity to reflect on the need of a restructured United Nations, as has been eloquently stated to the world by Right Hon. Lester B. Pearson.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I will endeavour not to proliferate words on this particular subject. I think everybody in the house welcomes the announcement that has been made. It is a step forward in the direction of security in the nuclear world. We all know there are many other things that must be done, but we have to take each step as it is available.

We believe this non-proliferation treaty can hardly have its full effect until the present nuclear nations take further steps. First of all there should be a ban on underground testing as well as on testing in the atmosphere. We believe moves should be made toward limiting the means of delivery of the present nuclear powers, and toward diminishing the stockpiles they have at the present time. There is need for greater security and for strengthening the United Nations.

All these steps are necessary if this treaty is to bring the security that is its purpose. But, as I said, we have to take one step at a time, and we welcome the treaty that Canada is to ratify. We will be very happy in the committee of external affairs and national defence to go into the details of this treaty.

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, we are happy to comment the statement that the honourable Secretary of State for External Affairs (Mr. Sharp) has just made with regard to nuclear weapons.

I am convinced that the whole world would like to see them disappear and the advancement of nuclear science put to the service of humanity. Nuclear weapons are considered by humanity as destructive weapons when they should be a power of resurrection.

[Mr. Fairweather.]

Many countries of the world are stunned by the destructive power of these weapons knowing full well that they can destroy everything on earth. The peoples of the world have to yield to the will of the four great powers that have nuclear arms.

Mr. Speaker, instead of endeavouring to reduce the proliferation of nuclear arms, we should use all those new technological developments to serve humanity and help the economic development of the world.

[*English*]

AGRICULTURE

HOGS—ANNOUNCEMENT OF CHANGES IN GRADES AND PREMIUMS

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to make a brief statement about a change in hog premiums. A short time ago I announced changes in the grades and grading of hogs which will take place on December 30, 1968. The present grades of A, B and C will be replaced by an index scale based on the scientific principle of appraising carcass merit on the basis of back fat and weight measurements. Since the pricing policy of meat packers will be based on this premise, the immediate result will be a greater reward from the market place to the producer who sells hogs that yield a relatively high proportion of lean. The long term result will be an increase in the production of higher quality pork of the type the consumer wants.

To provide initial impetus to the attainment of this objective the hog premium is being altered to apply at a higher rate to fewer hogs. Commencing December 30, 1968 and until further notice, there will be paid a premium of $3 per hog carcass with an index of 103 or higher. This will be an increase per carcass from the present $2 premium for grade A carcasses, but as I stated earlier it will apply to a smaller percentage of hogs.

I am pleased to be able to report that this new system of hog carcass appraisal has been developed by representatives of producers and processors along with government officials working in close co-operation.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, the statement by the minister this afternoon with regard to a change in the grading program is very important to the industry concerned. At last the government is taking concrete action that will enable this industry to meet competition and world

demand for protein rather than carbohydrates and fat.

The minister stated the long term result will be an increase in the production of higher quality pork. When the minister states that the $3 instead of the former $2 will apply to a smaller percentage of hogs, what he is really saying is that in the years ahead the industry will receive from the government far less by way of payments, and this at a time when the industry needs those payments most.

• (3:00 p.m.)

This is a concrete illustration of what can happen to an industry when the government lacks a long range policy. Within two weeks there will be a change in the payments made to the primary producers, when, had the government announced its intention 18 months or two years ago, it would have enabled the producers to take advantage of this change in the grade system. As it is now, definite hardship will be caused among the producers during the next six months to two years, depending on the particular production engaged in.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this new grading system has been in the making for some time, and has been exhaustively researched. The federation of agriculture, the processors and so on have all taken part, and I think we will have to see how it works out in practice in the slaughter plants, whether it operates effectively on the production line and does not slow the product as it goes through. It will mean that premiums to some farmers who are now receiving them will be ruled out. Therefore I think the emphasis now will be on top grade hogs and producers of lower grade hogs will not receive any premium.

I think one area that has not been explored and researched in view of the proposals now made in the grade marking of quality hogs before they are passed on to the consumer. I think this top quality grading should be passed on from the farmer-producer to the ultimate consumer, as is the case now with beef. I did make this point in the committee on agriculture and was told that for certain reasons this cannot be done, but I think it can. I do not think any objective examination was made into whether it can be done, and this is a real weakness in this new system. As I say, the main point here is that the quality product be passed on as such from the producer to the consumer.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in my opinion, the statement made by the Minister of Agriculture about the grading of hogs meets the need to encourage even more the production of higher quality pork.

That policy offers some advantages of course, but it also has some disadvantages, and I think that it will be necessary to proceed by stages in order to prevent too heavy losses for the producers who might produce hogs of a quality inferior to the standards that have just been announced in the house.

However, I ask myself a question which must have crossed the minister's mind and which might even have been discussed, although it was not mentioned in his statement. In view of special conditions in the province of Quebec where the government now pays a premium for grade A hogs, in order to help the producers even more, in view also of the fact that grades A and B will be abolished, will the Quebec government keep on grading hogs in the same way and paying the premium or has some agreement been reached? I presume that the federal Minister of Agriculture and his Quebec counterpart have considered the situation and, at the right moment, we would be happy to hear the minister's explanations.

At all events, it appears to us at first sight that this new policy will promote a higher quality production.

The other day, I heard an hon. member say that he was worried about the fact that farmers were not always concerned with quality. I think that this is a gratuitous assertion because even though it might have been so in the past, in 1968 farmers accept more and more to produce high quality products and meet the consumer needs, provided they are compensated for the quality of their products.

[*English*]

STATISTICS ACT

PROPOSED AMENDMENT TO CHANGE TITLE

Mr. Kenneth Robinson (Lakeshore) moved for leave to introduce Bill No. C-149, to amend the Statistics Act.

Some hon. Members: Explain.

Mr. Robinson: Mr. Speaker, it is proposed that the long title of the Statistics Act be repealed and the word "Canada" substituted for the word "dominion". The purpose of the bill is to give effect to Canada's status as a nation and remove the anachronism "dominion", once useful but now embarrassing.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

CRIMINAL CODE

Mr. Speaker: Government notices of motions: the Minister of Justice.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I believe there is unanimous consent that we go into committee of the whole today and pass this resolution without debate so the bill can be introduced and given first reading today.

Mr. Speaker: It is suggested that the house go into committee of the whole later this day for this purpose. Is that agreed?

Some hon. Members: Agreed.

Hon. John N. Turner (Minister of Justice) moved that the house go into committee of the whole later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Criminal Code, the Parole Act (inter alia to increase the maximum number of members of the National Parole Board from five to nine), the Penitentiary Act, the Prison and Reformatories Act, and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act.

Motion agreed to.

EXTERNAL AFFAIRS

MEETING OF EDUCATION MINISTERS OF FRENCH SPEAKING COUNTRIES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I presume it is still appropriate to ask the secretary of state a question in this house relating to Canada's policy toward the conference to be held in Niger, even though that policy has now been announced in the other place. I wonder whether the Secretary of State for External Affairs could advise the house, in light of the statement made in the other place yesterday, whether the government of Canada has reached an understanding with the government of the province of Quebec as to the manner in which the province of Quebec will participate in the conference in Niger.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, that subject is still under discussion with the province of Quebec.

Mr. Stanfield: Mr. Speaker, are we to assume in light of the statement in the other place yesterday and in light of the minister's statement that no agreement has been reached with the province of Quebec, that the government of Canada is modifying its policy with regard to external relations as adopted and announced in the white paper last spring?

Mr. Sharp: Mr. Speaker, that assumption is incorrect.

[*Later:*]

Mr. Stanfield: Mr. Speaker, in view of the statement of the Prime Minister of Quebec that the province of Quebec would be attending the conference in Niger, I would like to ask the right hon. Prime Minister whether the government leader in the other place was in fact stating policy for the government of Canada when he stated that the government of Canada would be represented at the conference in Niger.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I intend to formally answer the invitation of the President of Niger concerning this conference. I expect to send that answer probably today or tomorrow. Until I have done so I would prefer not to tell the house what is in it. If I may give a hint, it would be our intention—and we have already indicated this informally through Senator Martin to the president—to indicate that we hope to attend but we hope also to attend as part of a Canadian delegation which would represent all the French speaking Canadians of all provinces. But the formal answer will be going out in a day or two.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a supplementary question.

Following the visit of Senator Martin to the President of Niger, was an agreement concluded to the effect that the president would recognize a Canadian delegation made up of representatives of various provinces, or will the Quebec delegation also be recognized by the president?

Mr. Trudeau: Well, as mentioned by the Secretary of State for External Affairs at the beginning of this sitting, it is a matter which is now under negotiation between the Quebec and Ottawa governments. We want to accept the invitation and we also want the representation to be adequate. We hope that we can agree in this matter. That is the position which Senator Martin explained to President Diori. I believe this is also the position taken by the President of Niger, but

the official acceptance on our part has not yet been sent.

Mr. Asselin: Mr. Speaker, I should to like to put a further supplementary question.

How can the honourable Prime Minister talk about a Canadian delegation consisting of various provincial representatives if Quebec has not yet expressed the wish to take part in this delegation?

Mr. Speaker: This is an argument and not a question.

[*English*]

Mr. Stanfield: I wonder, Mr. Speaker, whether it would be possible for the Prime Minister to arrange to announce the same policy in the House of Commons and in the other place.

Mr. Trudeau: Mr. Speaker, I believe it would be contrary to custom for me to announce government policy in the other place. I would prefer to do it in the House of Commons.

[*Translation*]

INQUIRY AS TO DIPLOMATIC RECOGNITION OF MAINLAND CHINA

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the right honourable Prime Minister.

Does he really intend to announce, within a month, the official recognition of Communist China by Canada?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, if there are any announcements to be made, we will choose the time and the hour to do so.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in that connection may I direct a supplementary question to the Secretary of State for External Affairs. Is the government giving consideration at this time to the early recognition of communist China? If it is, will the government of the United States also give it recognition? My final question in this connection is, will this house have the opportunity of discussing this matter before such an irrevocable decision is made, that is so fraught with danger to the people of Taiwan?

Hon. Mitchell Sharp (Secretary of State for External Affairs: Mr. Speaker, the government has stated its intention of negotiating for the recognition of communist China. Whether we will be successful is quite another matter. I hope that in the committee on external affairs and national defence there will be many expressions of opinion on this question as part of the general foreign policy review before we make our decision.

Mr. Diefenbaker: A further supplementary question, Mr. Speaker. Will the minister once and for all give an assurance that whatever is done in this connection, and it is a difficult problem and has been with us for a long time, the people of Taiwan, having stood for freedom in Asia, will not be sacrificed?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Diefenbaker: The minister will not give that assurance. Mr. Speaker, I ask the minister whether he would give that assurance. He has given no indication that he will answer. That indicates the great danger of having this government play with this problem.

Some hon. Members: Hear, hear.

Mr. Sharp: Mr. Speaker, I did not rise because you were on your feet and I thought you were considering this a very argumentative question.

Some hon. Members: Oh, oh.

Mr. Sharp: May I say to the house that we recognize the position of Taiwan to be a very sensitive issue. I do not think it would be appropriate at this time to give any such assurances. I believe it is a matter that must be considered most seriously in connection with any decision we may make.

Mr. Diefenbaker: Without assurances all such statements mean nothing.

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is it the intention of the government to establish a diplomatic mission in Taipei?

Mr. Sharp: Mr. Speaker, there is no change contemplated in the present situation.

Mr. Nesbitt: In that case, Mr. Speaker, could the minister tell us if that is an indication that the government intends to break off relations with Taiwan?

Mr. Sharp: No, Mr. Speaker.

Inquiries of the Ministry

BRAZIL—REPORTED DETENTION OF CANADIAN PRIEST

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Has he, or has the government, received a report that a Canadian priest is being detained in Brazil during the recent political upheaval in that country? Has the government any information as to the identity of any Canadian clergyman under arrest in Brazil?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not been informed, but I will make inquiries.

THE CANADIAN ECONOMY

MEASURES TO DEAL WITH PROBLEMS OF UNDERPRIVILEGED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of his statement a few days ago that the purpose of the government's austerity program is to enable the government to address itself to the problems of all the underprivileged in Canada, can he say what measures to deal with the problems of the underprivileged will be placed before parliament when we meet again in January?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, these programs were dealt with in the speech from the throne. As hon. members know, we have only dealt with less than a dozen measures. There are some 40 left to be dealt with. I think the hon. member could check with the speech from the throne. We hope we will have the kind of rules in the house after we return that will enable us to deal with those programs.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the Prime Minister if one of the measures that will be placed before parliament in the new year will have to do with housing.

Mr. Trudeau: Mr. Speaker, the Minister of Transport has indicated, if my memory serves me correctly, that he hopes to table his report in the house sometime in January.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker, with regard to the reply made by the right hon. gentleman. Can he assure us that if we have an improvement in our rules, as we hope, we shall also have an improvement in the type of government we have?

Some hon. Members: Hear, hear.

Mr. A. D. Hales (Wellington): Mr. Speaker, by way of a supplementary question to the Prime Minister may I ask him to reconsider the erection of the C.B.C. building, which will cost $66 million, so that some of that money could be used for housing?

[*Translation*]

FINANCE

INCREASE IN BANK OF CANADA INTEREST RATE

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, my question was intended for the hon. Minister of Finance but, in his absence, I shall direct it to the right hon. Prime Minister.

Can he tell the house whether he approves the hasty policy of the Bank of Canada to increase the interest rate without previously consulting the authorities concerned?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the hon. Minister of Finance was here yesterday; everyone knows that today he is attending the federal-provincial conference. I believe he answered that question, at least in part, and the member must surely know that the government prefers the Bank of Canada not to act on the orders of the honourable Minister of Finance.

[*English*]

LABOUR CONDITIONS

CONSIDERATION OF INCREASE IN MINIMUM WAGES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a question to the Minister of Labour. On September 13 I asked the minister whether, considering that minimum wages for employees in industries coming under federal jurisdiction had not been increased for some three and a half years, and considering that the cost of living had gone up by nearly 15 per cent in the meantime, the government would consider raising minimum wages in those industries, particularly as an example to provincial governments. He said at that time that this was under consideration.

Mr. Speaker: Order, please. The hon. member is making a speech; he should ask a question.

Mr. Hees: I had just arrived at that point, Mr. Speaker. My question is this. Since the cost of living has continued to rise in the last three months, I wonder whether the minister and the government will have anything to announce in this regard in the near future.

Mr. Speaker: I think the question as asked is of a very broad nature and very wide in scope. The hon. member is asking the minister to make a very important type of statement which I think should be made on motions.

Mr. Hees: Could I ask the minister if he would make a statement tomorrow on motions on this very important matter?

Hon. Bryce S. Mackasey (Minister of Labour): Unfortunately, Mr. Speaker, tomorrow is not my day in the house.

Some hon. Members: Oh, oh.

Mr. Hees: Mr. Speaker, since the minister claims to be a member of the government that says it wants to promote the just society, could he not make a special effort tomorrow on behalf of the poverty-stricken people of this country and come to this house to make a statement in that regard?

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): A supplementary question—

Mr. Speaker: Order, please. Perhaps we might go to another question. I doubt whether a supplementary ought to be allowed, but I will recognize the hon. member for Winnipeg North Centre on a related question.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I will accept your word that I have a related question; I thought it was a supplementary question. May I ask the Minister of Labour if he would like me to give him my Bill No. C-74, which is already drafted and which if passed would raise the minimum wage in all works and industries under federal jurisdiction.

Mr. Mackasey: Mr. Speaker, as I won't be here tomorrow—

Mr. Hees: You could be if you were interested.

Mr. Mackasey: I would like to point out that this hon. gentleman has raised this question many times. His speeches are always uniform in quality, or lack of quality, and always of great interest. The hon. member suggested raising the minimum wage as an example to the provinces. I might point out that the Tory government of Ontario has taken three and one half years to reach the federal level of minimum wages now in effect.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. We must see what might happen with another related question. The hon. member for St. John's East.

Mr. James A. McGrath (St. John's East): Mr. Speaker, my related question is directed to the Minister of Consumer and Corporate Affairs. It is on the same subject. Will the minister extend the same courtesy to opposition parties in this house that he has extended to provincial finance ministers today in making an advance copy of the white paper on prices and wages available to them? My second question is, will the minister be in the house tomorrow for the tabling of this document?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): To reply in reverse order, Mr. Speaker, I will be in the house tomorrow and will be tabling the white paper on price stability. That I intend to do when we meet at eleven o'clock. The first part of the hon. gentleman's question is not quite correct. If the hon. member will read the statement I propose to make to the minister of finance this afternoon he will see that I have not given them an advance copy of the white paper, and in fact I expressed my apologies that it was not yet ready for them.

Mr. McGrath: I wish to direct a supplementary question to the minister. Will he answer my question? Will he make a copy of the white paper available in advance to opposition spokesmen before tabling it tomorrow?

Mr. Basford: No, Mr. Speaker. The white paper will become available to all hon. members when it is tabled.

Inquiries of the Ministry

VOCATIONAL AND TECHNICAL TRAINING

PAYMENT OF SUBSISTENCE ALLOWANCES DURING HOLIDAY SEASON

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, may I address this very seasonal question to the Minister of Citizenship and Immigration, supplementary to those asked earlier in regard to students taking vocational training. Have the minister and his department been able to reach an agreement with British Columbia in order to keep the training schools open at this holiday time and thereby avoid deductions from the students, many of whom are married and are now taking retraining? I am speaking of their Christmas allowance. If he has not, and if there is to be a deduction, will he consider some plan by which the deduction will not be made during Christmas week?

Hon. A. J. MacEachen (Minister of Citizenship and Immigration): Mr. Speaker, I promised the leader of the New Democratic party that I would give an up to date report on this matter, and I shall do so later this week.

AIR CANADA

SETTLEMENT OF DISPUTE WITH EMPLOYEES ASSOCIATION

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de Grâce): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the large number of people who have plans to travel by air over the holiday period, would the minister say whether the contract with Air Canada employees has been signed or whether it is still outstanding?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, as I entered the chamber today at 2.30 I was given a telegram which I would like to read. I think it will be a consolation to all hon. members, not only those on this side of the house. It says:

New contract ratified by the Canadian air lines employees' association.

Some hon. Members: Hear, hear.

Mr. Mackasey: Mr. Speaker, because of my normal modesty the rest of the telegram is very embarrassing, so I will paraphrase it. It says "The efforts of you, the Minister of Labour, and your departmental personnel, particularly Mr. McRae and Mr. Wilson, appreciated". It is signed "Hayes, President of the Association".

Some hon. Members: Hear, hear.

GRAIN

WESTLOCK, ALBERTA—SHORTAGE OF BOX CARS

On the orders of the day:

Mr. F. J. Bigg (Pembina): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Since we have been assured many times in this house that there is no shortage of box cars in western Canada, could the minister tell me whether he has had a request from the Federal Grain Company, situated at Westlock, Alberta, concerning the shortage of 36 box cars over the period since November 4 of this year; and has his department taken any steps to see that this shortage is rectified?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not have any personel knowledge of having received this representation; but I would not expect it, because I think if it is orders for cars it would be directed to the Minister of Industry, Trade and Commerce, who answers for the wheat board.

Mr. Bigg: Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. Would he accept a copy of this letter I have received, and take some steps to see that the railroad company are checked up in this regard, because he has gone on record as saying that there is no problem?

Mr. Speaker: Order, please.

INQUIRY AS TO MEETING WITH SASKATCHEWAN WHEAT POOL

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Minister of Agriculture has he received a request from officers of the Saskatchewan wheat pool to meet with him? If so, when is this meeting to be held? Further, is he prepared to tell the agricultural industry of any financial assistance the federal government is contemplating in the light of the damp and tough grain situation?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I intend to meet later today with the minister of agriculture from Saskatchewan, and I think some officials from

the Saskatchewan wheat pool will also be at the meeting. The meeting was called for earlier today but because of the pressure of other urgent business it had to be postponed until after orders of the day.

FINANCE

REQUEST FOR POLICY STATEMENT ON TAXATION COMMISSION REPORT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I wish to direct a question to the Minister of Finance. However, as this is one of his days off this week I will direct it to his parliamentary secretary. In view of the great concern which is evident among many resource industries in relation to the possibility of stagnating resource development if certain aspects of the Carter report on taxation are implemented, can the minister advise the house when the government will be announcing its policy in this respect?

Mr. Speaker: Order, please. I have some doubt whether the preliminary part of the question is in order, but the parliamentary secretary might be allowed to reply.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): First, Mr. Speaker, I would like to inform the house that the minister is attending to his duties representing the government of Canada at the federal-provincial finance ministers' conference.

Some hon. Members: Hear, hear.

Mr. Gray: Second, I would like to inform the hon. member that I shall be very pleased to bring his question to the personal attention of the minister for his consideration.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a supplementary question to the parliamentary secretary to the Minister of Finance. Can he make available to members of this house the economic forecast that has been made available to the provincial premiers?

Mr. Gray: Mr. Speaker, I would be glad to take this matter up with the Minister of Finance to see what could be done in this regard.

RESEARCH

INQUIRY AS TO REPORT ON FEDERAL ASSISTANCE TO UNIVERSITIES

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Will the Prime Minister say when the house can expect to receive the report of the MacDonald committee, established in the spring of 1967 to study the role of the federal government in support of research in universities?

Mr. Speaker: I wonder whether this question is very urgent. It seems this committee was established some time ago, and this is the type of question which normally would be placed on the order paper.

Mr. Lundrigan: Mr. Speaker, if the right hon. Prime Minister won't consider answering that question, could be say whether he will take steps to have the production of the report hastened in order to avoid uncertainty?

Mr. Speaker: That supplementary question should also be placed on the order paper.

INDIAN AFFAIRS

MANITOBA—INVESTIGATION INTO DEATH OF YOUNG GIRL

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Has the Prime Minister received the report on the circumstances surrounding the tragic death of a young Indian girl near Brandon and, if so, will he be reporting on it to the house before the Christmas recess?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe I said I would ask the minister in charge of that department to inquire into it. I have not had any report from him as yet.

CRIMINAL CODE

OPPORTUNITY FOR CONSIDERATION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the fact that the opposition has waived its right to debate the resolution stage of the Criminal Code omnibus bill, which we have not yet seen, and because of the size of the bill, will the Minister of Justice assure the house that under whatever rules we may be operating we will have time to debate and examine the bill adequately?

Inquiries of the Ministry

Hon. John N. Turner (Minister of Justice): I certainly intend to operate under the rules, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Woolliams: I should like to congratulate the minister on the way he was able to slide through that answer but my question is, would the minister assure the house that we will have adequate time to debate this bill in which many different matters are brought together in a large package?

Mr. Turner (Ottawa-Carleton): I would think, Mr. Speaker, whatever rules are adopted, that certainly at the clause by clause stage, whether in the standing committee or the committee of the whole, there should be a very thorough discussion of the bill.

EXTERNAL AFFAIRS

GREECE—PROPOSED TERMINATION OF MILITARY AID

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the fact that the council of Europe has decided to expel the representatives of the Greek regime from its midst and because of the fact that the government of Canada is currently undertaking a review of its foreign policy, does the government in its policy review anticipate looking into the advisability of discontinuing military aid to the present military regime in Greece?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think yesterday or the day before in the house I gave the extent of our military aid to Greece which is very small. Our review does not contemplate study of this particular subject.

Mr. Schreyer: In view of the fact that the present military regime in Greece is almost as monstrous as the Soviet—

Mr. Speaker: Order, please. The hon. member should ask his questions?

Mr. Schreyer: I should like to ask the Secretary of State for External Affairs whether the government of Canada in its foreign policy review intends to reconsider its posture relative to the Greek government?

Mr. Speaker: Order. The hon. member is restating or repeating the question he asked in the first instance.

[Mr. Woolliams.]

[*Later:*]

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I was surprised, but not altogether—

Mr. Speaker: Order. The hon. member has the floor for the purpose of asking a question.

Mr. Broadbent: Thank you, Mr. Speaker. My question is, would the Secretary of State for External Affairs think it appropriate for the government of Canada to supply small amounts of military equipment to Russia the next time that country decides to invade another country?

Mr. Speaker: Order. The question is not acceptable, and unless the minister is rising on another question—

Mr. Sharp: Mr. Speaker, I should perhaps say that Greece has not invaded any other country.

CANADIAN BROADCASTING CORPORATION

PROPOSED INQUIRY INTO PROGRAM ON POLLUTION

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Secretary of State. According to a press report today the Canadian Radio-Television Commission will conduct a public inquiry into the Canadian Broadcasting Corporation television program "Air of Death". Would the minister advise the house whether the legislation establishing the C.R.T.C. permits it to conduct such an inquiry.

Mr. Speaker: I suggest that the hon. member is asking for a legal interpretation. The question as asked is not in order.

[*Translation*]

COMMONWEALTH CONFERENCE

SUGGESTED CONSIDERATION OF CONFLICT IN NIGERIA

On the orders of the day:

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I wish to direct a question to the right honourable Prime Minister.

In view of the fact that the commonwealth conference of prime ministers to be held next month will provide an exceptional opportunity to discuss the Nigerian problem, does the right honourable Prime Minister intend to

place these good offices at the disposal of the government of Nigeria so as to find a quick solution to that fratricidal war through negotiations or dialogue?

Right Hon. P.-E. Trudeau (Prime Minister): Well informed people tell me that it is not customary, during such conferences, to raise problems concerning the domestic policy of member countries. Therefore, I doubt that there will be any opportunities to take such a position officially, but I shall take into account the representations of the honourable member, when I participate in, shall we say, friendly meetings with the heads of states in London.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Interested as we are in the fact that death is now becoming a domestic problem, is it the policy of the government that Canada will support the United States initiative to bring about a cease fire in Nigeria, and what positive steps has the government of Canada taken recently to this end?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have continued what I think is the best policy under the present circumstances, that is, to make ourselves available on request to the two parties if they wish us to act in this capacity. But as the Prime Minister has said, in so far as the commonwealth conference is concerned this is a domestic matter and it could not be raised contrary to the wishes of the Nigerian government which is a member of the commonwealth.

NATIONAL DEFENCE

NEGOTIATIONS FOR REMOVAL OF NUCLEAR WARHEADS FROM BOMARC MISSILES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the grandiloquent declaration regarding the danger of proliferation of nuclear arms, in the dissertation given by the minister today, is the government engaged in negotiating out of having nuclear warheads on Bomarcs? What steps are being taken in that direction, because I seem to recall a different viewpoint when this matter was raised five years ago?

Mr. Speaker: Order, Please.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the question of what is a nuclear power is defined in the non-proliferation treaty, and Canada is not a nuclear power.

Mr. Diefenbaker: Are any negotiations going on, as promised on a number of occasions, for removal of the nuclear warheads in order to remove the danger that the minister has spoken of in such glaring terms?

UNITED NATIONS

CANADIAN VOTE ON RESOLUTION RESPECTING GIBRALTAR

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct this question to the Secretary of State for External Affairs. With reference to a recent vote in the United Nations general assembly which called upon the United Kingdom to withdraw from Gibraltar despite the clearly expressed contrary view of Gibraltarians, can the minister advise how the Canadian delegation voted on this intriguing and intrusive resolution?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I will take the question as notice, Mr. Speaker.

[*Later:*]

Mr. Sharp: Mr. Speaker, may I take the opportunity of answering the question which was put to me earlier about our position on Gibraltar? Canada voted against the resolution calling on Britain to give up Gibraltar.

Some hon. Members: Hear, hear.

HARBOURS

REQUEST FOR REPLIES TO QUESTIONS AS TO REPORTS

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the President of the Privy Council in his capacity as leader of the house. To paraphrase the words of a famous Canadian, where in Hades is the Minister of Transport? The Department of Labour is represented today—

Mr. Speaker: Order. The hon. member should ask a question. I do not think a supplementary question would be in order after his first question.

Mr. Nowlan: I did not think the President of the Privy Council would be ready to reply

so quickly. The reason I asked the question in the way I did was that I was prepared to wait until the Minister of Transport came into the house, since this is his roster day. The Minister of Labour certainly shows how he pays attention to the leader and the teacher and follows the roster.

Mr. Speaker: The hon. member for South Western Nova.

Mr. Nowlan: The Minister without Portfolio was answering for the Minister of Transport and we cannot expect the Minister of Transport in the house. We have not seen him very much. I am asking the Minister without Portfolio whether he can answer today two questions which the Minister of Transport said he would answer, one on the National Harbours Board report which he said on December 4 he would answer the next day, December 5, and the other on the Roberts Bank report which he said he would table not later than the following week, or December 6. We have passed both those dates now. Can we have an answer today regarding both these reports?

Some hon. Members: Hear, hear.

Hon. James Richardson (Minister without Portfolio): The Minister of Transport is in Toronto today. I am not certain at what time he left but he is away on important government business. I am sure he has very much in mind the two reports which have been referred to and I will be pleased to bring the hon. member's representations to his attention.

Mr. Nowlan: Can we have a definite answer tomorrow, in view of the fact that something might happen tomorrow or certainly over Christmas, perhaps on Christmas Eve? Something is going to happen on Christmas Eve, but in view of something which might happen tomorrow, could we have an answer?

Mr. Speaker: Order. The hon. member has asked his question a number of times. He has had the floor now for quite a few minutes—

Mr. Nowlan: On a point of order, Mr. Speaker, very rarely do I challenge anything the Chair says but yesterday I tried to catch your eye all day. I knew the Minister of Transport was here for a very transient visit; he has been attending very infrequently. Both these reports have been promised, and it would be most informative and educational if they were tabled before the house rises, if it ever does.

[Mr. Nowlan.]

UNEMPLOYMENT INSURANCE COMMISSION

LAY-OFF OR TRANSFER OF ATLANTIC AREA EMPLOYEES

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the Minister of Labour. Is it the intention of the government to transfer to other positions or to other parts of Canada those who are about to be laid off in the Atlantic area from what have been called redundant positions within the Unemployment Insurance Commission?

Mr. Speaker: The question as asked is argumentative. I suggest to the hon. member that it cannot be asked in those terms.

Hon. Bryce S. Mackasey (Minister of Labour): On a point of order Mr. Speaker, perhaps I could say a word on this question, which is fallacious, based on an erroneous assumption and might create in the minds of certain people in the Unemployment Insurance Commission the impression that they are about to be dismissed. I repeat what I said the other day. Nobody in the Unemployment Insurance Commission will be laid off until at least six months prior notice has been given.

Some hon. Members: Order.

Some hon. Members: Hear, hear.

Mr. Comeau: I understood what the minister said the other day. I am asking whether it is intended to transfer certain people within the commission to other positions.

Mr. Mackasey: If they are being transferred to other positions they are not being dismissed.

TRADE

REQUEST FOR POLICY STATEMENT ON CANADIAN PARTICIPATION IN FAIRS

On the orders of the day:

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, in view of the concern felt about Canadian participation in international trade fairs, particularly in West Germany, the most prosperous nation in western Europe, will the Minister of Industry, trade and Commerce undertake to make a statement on motions indicating his department's policy in this regard?

Hon. Jean-Luc Pepin (Minister of Industry Trade and Commerce): Mr. Speaker, I think it would be easier if I were to write to the hon. member.

FISHERIES

REQUEST FOR REINSTATEMENT OF DEFICIENCY PAYMENTS ON FROZEN FISH

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries. In view of last night's announcement by the Newfoundland government that it is taking action which will have the effect of nationalizing four fish plants in Newfoundland, will the government reassess its position and consider reinstating the deficiency payments to the frozen fish industry as requested by the Newfoundland government at recent meetings in Ottawa with the minister and members of his staff?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we are giving urgent consideration to the program for next year.

Mr. Carter: Is the minister in a position to tell the house what were the results of the meeting held on Monday or Tuesday of this week, and what he has decided to recommend to the government in order to alleviate the serious situation which now exists in Newfoundland?

Mr. Davis: Recommendations are being made, but I am not in a position to announce them at this time.

FARM MACHINERY

IMPROVED SAFETY FEATURES—REPORT OF COMMISSION

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wanted to direct this question to the Minister of Consumer and Corporate Affairs but since he is out of the house perhaps I could direct it to the Minister of Agriculture. In the light of the report on farm safety recently released by Mr. Donaldson, a researcher with the royal commission on farm machinery, what action does the hon. gentleman intend to take to ensure that farm machinery manufacturers improve the safety features of their products?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we intend to study the report first; I understand it was only released yesterday.

Mr. A. D. Hales (Wellington): A supplementary question, Mr. Speaker. The other day the Minister of Agriculture said he would inform the house when he was going to table the report from the commission studying the farm implement situation.

Mr. Olson: What I said, Mr. Speaker, was that I would ask the commissioner for a report by the end of this year, and I expect I will get a report on some aspects of this study. But I cannot table it until I get it.

LABOUR CONDITIONS

PROVISION OF SUMMER EMPLOYMENT FOR UNIVERSITY STUDENTS

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Will the minister confirm that for the first time in history the National Research Council will not be hiring university students next summer?

Mr. Speaker: I doubt whether the question qualifies for this period of our proceedings but perhaps the minister might be allowed to answer it.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I shall be glad to investigate the complaint made by the hon. member.

Mr. Yewchuk: Can the minister tell us whether the government is planning any special program to employ students next summer in the public service as a means of alleviating the serious employment situation?

Mr. Speaker: Order. I suggest that both questions could be answered by way of a statement by the minister on motions.

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): Before government orders are called, Mr. Speaker, may I say that as has been mentioned several times in the house there is general agreement that the resolution preceding the Criminal Code amendment bill could be passed without debate if it were called at this time. Perhaps the house would be agreeable to making such an order so the bill might receive first reading.

Mr. Speaker: Is it agreed? Is it so ordered?

Some hon. Members: Agreed.

Motion for Concurrence in Report

• (3:50 p.m.)

CRIMINAL CODE

Hon. John N. Turner (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Criminal Code, the Parole Act (*inter alia* to increase the maximum number of members of the National Parole Board from five to nine), the Penitentiary Act, the Prison and Reformatories Act, and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act.

Motion agreed to and the house went into committee, Mr. Faulkner in the chair.

The Chairman: Order. House in committee of the whole on a certain proposed resolution to amend the Criminal Code and to make other consequential changes. Shall the resolution carry?

Some hon. Members: Agreed.

Resolution reported and concurred in.

Mr. Turner (Ottawa-Carleton) thereupon moved for leave to introduce Bill No. 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.

Motion agreed to and bill read the first time.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed, from Monday, December 16, consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, be concurred in, and the amendment thereto of Mr. Stanfield (p. 3762).

Mr. James A. McGrath (St. John's East): Mr. Speaker, when I adjourned the debate on December 16 I was referring to the difficulties that the Prime Minister (Mr. Trudeau) and some of the members of the government were having in trying to distinguish between the deliberative function of parliament and the investigative function of committees of the house. I dwelt at some length on that subject because I think it is very important and germane to any discussion in this debate. The committees of the house as they are now constituted are by their very nature investigative

[Mr. Speaker.]

bodies, whereas this house, constituted as a committee of the whole in committee of supply, is in the main deliberative in its function. I think that is a very important function.

This has been a very useful debate. Even the hon. member for Burnaby-Seymour (Mr. Perrault) agrees because in his speech he said it had been a good debate and had proceeded in the best tradition of parliament. We have heard excellent cases put forward by those speaking from both sides on this extremely important and urgent matter of procedure. In the main I think that the views expressed have been responsible. I subscribe to that, as I am sure my colleagues do, 100 per cent.

With regard to responsibility, we have just seen how the house can take its responsibility seriously. This was demonstrated in a move whereby debate at the resolution stage of a very important bill was waived by unanimous consent of the house. Unanimous consent could not have been possible unless the house leaders were in agreement and hon. members were unanimous in respect of that agreement. We have just passed without debate the resolution stage of the important bill to amend the Criminal Code, the so-called omnibus bill, in order that members may have the bill before them to study over the Christmas recess, if indeed there is to be one, and hence make a more useful contribution to the deliberations on that important piece of legislation.

Similarly, last evening we had another example of the house taking its responsibility seriously when we agreed, again by consent and after consultation, to limit debate on the resolution preceding the bill to establish a freshwater fish marketing board. We agreed to limit our debate at the resolution stage with the knowledge that we were giving up an opportunity accorded to us whereby we could have debated at great length the very serious crisis facing the groundfish industry in the Atlantic provinces. As hon. members who were present in the house know, we limited ourselves to a debate of just under two hours, I believe. We completed the resolution stage and now have the bill so that when we reconvene we can get right into the legislation. Those who are interested in the bill, the governments of the prairie provinces and others, will have a chance to see the legislation and appreciate exactly what is entailed in it.

As I have said, Mr. Speaker, this is just another example of what can be accomplished by consultation, agreement, showing good will and being prepared to give a little in discussing the business of the house with the

various house leaders of the opposition parties. It is also well worth noting that this important debate on the rules was also adjourned by unanimous consent and after consultation and agreement among the house leaders of the opposition parties and the government house leader. Under our present rules it would not have been possible to adjourn the debate without this agreement. However, hon. members, taking their responsibility seriously as parliamentarians, agreed to forgo the rules whereby this debate would have had to be continued in order that Canada could fulfil an international obligation that the government had undertaken. We did that and considered the legislation dealing with anti-dumping duties. As I say, these are examples of what can be accomplished by agreement.

I have made a brief reference to the fishing industry and the very serious crisis facing that industry in Canada. Just a few weeks ago we were able, by our questions in the house, to get the government house leader to bring on the estimates of the Department of Fisheries. Using that as a vehicle, we were able to have an emergency debate on the very serious problems facing the fishery of the Atlantic provinces. I raise this point because without the committee of supply, without the means to at least be able to consider some of the estimates in the house, a very useful vehicle of debate would be done away with. As a consequence, members of this house who feel it necessary to bring to the attention of the house matters which they consider of great urgency or indeed which may be in the national interest and of great national urgency would not have this traditional opportunity to bring these matters up in the committee of supply during the traditional examination of estimates or in committee of the whole house.

• (4:00 p.m.)

As I said at the outset of my remarks, this type of deliberation is not possible under our present committee system, and if the government has its way and these rules are adopted we will not have the opportunity now accorded to us to bring up, to debate and to make speeches on matters we consider to be of national urgency and in the national interest. As a private member of the house I consider this a matter of great regret because it is a traditional right under our British parliamentary system that members can bring up grievances before granting supply to Her Majesty. This is a traditional and long fought for right of parliament. It is most regrettable that we will lose this tradition and this right and that we will not, in my submission, have the same opportunities in the future, if these rules are adopted, to bring up matters of great importance, great urgency and great emergency.

If these rules are adopted in their present form it is my wish and the wish of many of the hon. members who have participated in this debate that some changes be made in our committee system to make the committees more meaningful, to make them forums which would lend themselves to more meaningful examination of estimates and provide the means whereby this examination can take place. We are now used to having to meet in very limited surroundings. Sometimes committees overlap and one finds oneself having to be in two places at once. We had an instance of this during the present session when I found myself greatly interested in the deliberations of the transport and communications committee, as indeed many members from the Atlantic provinces were. On a particular day that committee was considering the estimates of the National Harbours Board and coincidentally with that meeting the committee on regional development was considering the report of the Atlantic Development Board. I raised a point of order at that time requesting that the chairman of the regional development committee bring this to the attention of the co-ordinating committee to ensure that overlapping is avoided if possible, especially on committees of interest to the same members. It is a well known fact that hon. members from the Atlantic provinces and from the other maritime areas in Canada would be greatly interested in the report of the National Harbours Board and at the same time the same hon. members would be greatly interested in the report of the Atlantic Development Board. This is one of the great weaknesses in the present committee system. It is a matter of great regret if we adopt the rules in their present form and have to refer estimates to the standing committees as they are now constituted.

The hon. member for Grenville-Carleton (Mr. Blair) said that debates on supply estimates tend to be general speech-making events and that most of the discussion takes place on the first item. I do not quarrel with that statement because this is a well known fact. All of the well known authorities on parliament have stated that debate generally tends to take place on the first item because

the rule of relevancy is not so strictly applied. Thus hon. members can make far-reaching speeches, examine all aspects of the department and in so doing present their case to the committee, but in order to present their case it is necessary for them to make speeches. I find myself in agreement with the hon. member and I find nothing wrong with this procedure. Again I repeat that if these rules are adopted we will not have the opportunity to present our case in the committees of the house.

Some hon. Members: Hear, hear.

Mr. McGrath: We will be deprived of the opportunity to present arguments building toward the investigation or interrogation of the minister or of the various departments whose estimates we are considering. I looked up one of the noted authorities on parliament, Erskine May, and in his 17th edition at page 765 he says in essence that criticism of departmental administration which usually takes place on the first item is "the real business of supply", that is, the real business of the examination of the estimates. It is the traditional practice and right of parliamentarians before granting supply to present their grievances to the house and thereby to the government and to say: Yes, we will vote you the money but before doing so we will take the opportunity accorded to us under our rules and according to the custom of parliament to present our grievances to the government. As I said, this is neither practical nor possible in the standing committees as they are now constituted.

Speaking of the committees as they are now constituted, one has only to look to the committee on transport and communications. I will not say much about it because the subject matter has been referred by an order of the house to the standing committee on privileges and elections as the result of a question of privilege. But the fact remains that because of the partisan nature of committees and because of the partisanship of the chairmen of committees the committee on transport and communications in presenting its second report to this house deliberately, in my view, left out of its report a very important resolution legally passed and adopted by the committee. One can only conclude that that resolution was left out because it was not palatable to the government. Consequently, this points up the fact that unless our committee system is changed and unless members of the opposition are recognized as having their full rights and responsibilities in the committees as they have in the house in the examination of estimates and the granting of supply, the referring of all the estimates to the committees as they are now constituted is nothing but a farce.

Some hon. Members: Hear, hear.

Mr. McGrath: If the committees are given real powers, then perhaps a case can be made for a useful examination of estimates. But in saying that I would point out to the house that ours is not the congressional system. Thank God we still operate under the British parliamentary system. One must make that distinction. We do not have the enormous research facilities and the research help accorded to the committees of the United States congress. When we examine estimates in committee and interrogate witnesses in relation to those estimates we have to do the best we can as members of the house in presenting our questions knowing full well that the minister has behind him all the experts and all the substantial resources of the particular department that we happen to be investigating or whose estimates we are examining at the time. In contrast members of the U.S. congress and its committees have substantial resources assigned to them and moneys voted to them for this purpose by the House of Representatives. The committees of the United States congress do substantial work because the members of these committees are well equipped and have huge staffs to enable them to conduct useful interrogation and useful investigation.

• (4:10 p.m.)

I suggest to the government, Mr. Speaker, and those hon. members who speak so highly of depriving us of our traditional right of granting supply in a committee of the whole house and referring all estimates to committees, that they bear in mind the distinct difference between our British parliamentary system and the congressionnal system in the United States. In that regard I commend the useful, very sensible and very moderate suggestion by the Leader of the Opposition (Mr. Stanfield) in opening this debate for our party, namely, that we retain at least 20 per cent of the estimates in the house and refer the remainder to committees. In that way we would still have a forum in which we could bring up matters of great urgency to the country.

In his criticism of the committee of supply the Prime Minister (Mr. Trudeau) said that

members did not seek information but rather made speeches. Well, what is wrong with making speeches? What is wrong with having useful debate in this house? The hon. member for Burnaby-Seymour spoke of the useful debate we are having now on these important rule changes. How else can we represent our constituencies? How else can we represent our provinces? How else can we usefully represent the country if we are not given the opportunity to present our views in this house?

It seems to me, Mr. Speaker, that the Prime Minister is bored. He does not like speeches. He does not like parliament for that reason. He does not like deliberative speech-making, which is the main reason for the existence of parliament. I say to the Prime Minister. That is too bad. I say to the Prime Minister also that the government which he heads is playing with weapons that are very dangerous to the future of the country. When they start fooling around with the traditional, long fought for rights of parliament, when members are not allowed to make speeches to bring up grievances before granting supply, then they are playing with dangerous weapons. Let the Prime Minister come out and say he wants to amend the constitution and have a congressional system. Why does he not have the courage to say that instead of taking from us our rights in this house on a piecemeal basis and doing away with the very symbols of our British parliamentary system? In my view, if he has his way parliament as we know it will cease to exist and that will be a dark day for this country.

I see the Minister of Manpower and Immigration (Mr. MacEachen) in the house. I hope he is going to participate in this debate because he was one of the most successful house leaders the government has had. I think it is a matter of regret that the hon. gentleman is not still the house leader because we would not have the problems we have today. I say that with great deference to the hon. and sometimes humble President of the Privy Council. The great problem is that he does not seem to be able to trust the other house leaders, and this is why he finds himself in trouble today.

Some hon. Members: Shame.

Mr. McGrath: As one hon. member has said, basically his problem is one of communication, although he does not seem to have any trouble communicating with the committee on transport and communications. I believe, as do other hon. members who have participated in this debate, that our rules have to be modified; they have to be reformed. Nobody will quarrel with that statement. Our rules have to be reformed from time to time and brought up to date to make sure that our institution of parliament relates to the needs of the day. Yet I say we should not tinker with the basic rights of members of the house. Generally speaking, I think the proposed changes, especially those in 16-A and the proposal to take all the estimates out of the committee of supply, go far beyond the necessary reforms needed to bring parliament up to date and make it relate to the present day.

In my view, Mr. Speaker, when you take away from this house its deliberative function, when you take away from this house the right of private members to stand up and bring their grievances before the government, you weaken this institution to the point where it will some day disappear before our eyes. When that happens we will probably have government by directive. Let us abolish parliament altogether. Why bother going through first and second readings of bills, the committee stage, and so on? Why not do away with parliament entirely if the Prime Minister does not like it? He has a majority.

Why does the Prime Minister not come out and say: I have no use for this institution, so let us abolish it and have government by directive? This is the kind of government there is in the Soviet countries, in countries where there are dictatorships of either the extreme right or left. This is what we had in my own province of Newfoundland. We had government by directive when our constitution was suspended in 1933. We had a dictatorship imposed upon us by Britain. Our people had no say. We had government by directive, and as a consequence of that we came into confederation 50 years behind the other maritime provinces. This was the result of not having a parliament. Our people had no voice in the affairs of our province. I feel very strongly on this subject because I grew up in Newfoundland not knowing what the institution of parliament was. My people had no vote and they had no parliament to represent them. They had no place to present their grievances except by direct petition to the Queen at Westminster. Now this government is tinkering with the very thing of which we were deprived, our right to stand in this house and present our grievances to the government before granting supply.

Motion for Concurrence in Report

The hon. member for Grenville-Carleton said debates on the estimates tend to be general speeches and most discussion takes place on the first item. As I have said, I do not quarrel with that statement. There should be discussion on the first item. Members of parliament are responsible in their examination of the estimates. They do not want to bog down ministers and departmental officials on each item; they want to present their case before asking their questions. The best opportunity to do this is the debate on the first item.

I hope that the government will be imbued with the spirit of Christmas. I hope that the President of the Privy Council will pretend for a moment that he is Santa Claus and not Ebenezer Scrooge—

Mr. Macdonald (Rosedale): Tiny Tim.

Mr. McGrath: —that he will be a little more conciliatory, that he will be prepared to give slightly and in return the opposition parties will also be prepared to give a little. In that way we will get the rules approved.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member who has just taken his seat for introducing me to the house, and I gladly accept his invitation to participate in this very important debate. I had the honour of being a member of the committee which presented this report during part of its deliberations, and in the last parliament of Canada I had the honour of being the chairman of the special committee that presented a number of reports to parliament, the recommendations contained in which have been incorporated in part in this report that we have been debating. I want to congratulate the members of the committee, especially the chairman, the hon. member for Grenville-Carleton (Mr. Blair) for the leadership that he gave the committee, for producing the reports under the rather stringent time schedule that we all wanted to have.

• (4:20 p.m.)

Personally, I believe that the changes that will be made in the rules as a result of the adoption of these reports will strengthen the House of Commons and make the institution more meaningful to the Canadian people. It is because of that view that I support the major conclusions of the report. Indeed, they will make the Canadian House of Commons more British. If the hon. member who has just taken his seat thanks God, as he did, for living under the British parliamentary system, then he ought to encourage his group to do in the Canadian parliament the things that have been done in the British parliament to make it more effective and meaningful.

I was a member of a committee that visited Westminster and conferred with a number of British leaders. The government house leader, Right Hon. Richard Crossman, told us bluntly that we were living under 19th century rules of procedure. He said to us: "You are way back where we were in the last century". That is what the British government house leader told us when we visited that country earlier this year.

What has struck me as a student of the Canadian rules is the inner conservatism of Canadian parliamentarians. All through our existence so far it has been very difficult to get members of parliament to change the rules. This conservatism has been deeply embedded in the mentality of Canadian members of parliament in all parties. What we are now doing in these reports is to take a very big step as a result of having failed over the years to take the many smaller steps that could have been taken to modernize and update our rules.

These changes will strengthen the house in a number of ways. They will give an entirely new status to the standing committees because the standing committees will be entrusted with the detailed examination of the estimates and will also have a new role in the examination of public bills. We cannot manage the committees on the cheap any more as we have in the past. I look to the day when the committee system will be entrusted with even greater responsibilities, when private members of parliament through the committee system will have a greater opportunity to participate in the parliamentary process. This will be good for parliament.

These changes will also give the house a greater opportunity to debate broad policy issues. Under the proposed changes the Leader of the Opposition (Mr. Stanfield) will have an opportunity that a leader of the opposition never has had before in the history of this parliament. He will be able to bring forward policy issues in a series of motions that he can introduce with notice and have debated.

Mr. Knowles (Winnipeg North Centre): And not only the Leader of the Opposition.

Mr. MacEachen: In this instance I am making a special appeal to the Leader of the

Opposition. So often have we complained in this house that we do not have an opportunity as much as we would like to debate the great policy issues of the day. But now this will be possible. On the report stage on public bills, also, there will be an opportunity for members to focus attention on amendments and induce debate in a way that has not been possible in the past.

Mr. Dinsdale: Provided you do not cut it off under 16A.

Mr. MacEachen: These debates will strengthen the House of Commons.

In addition, the adoption of these rules will make a great contribution by giving this parliament the image that it so badly needs of order and organization. These rules will be tougher on the government, on any government of Canada—

Some hon. Members: Oh, oh.

Mr. MacEachen: Hon. members may hesitate to accept that, but the order, regularity and programming that are envisaged in these rules will present obligations to a government to plan its legislation in a way that has never been the case before in the Canadian parliament. So on that score hon. members ought to welcome them.

I do not intend to belabour my belief in parliament as a free institution. We had a great example of this the other day in the British house when the views of one million petitioners were presented to the British commons in whisky cartons in regard to the potential disbanding of the Argyle and Sutherland Highlanders regiment. I must say that had I been a member of the British Commons I would have applauded that particular petition, but I do not want to go farther and perhaps be accused of interfering in the internal affairs of another country.

I want to deal specifically with a bald assertion that has been made by the Leader of the Opposition. It is the most important assertion that has been made in this debate either inside or outside the house. In the *Globe and Mail* for December 17 the Leader of the Opposition is quoted as follows:

> "No government in the free world has the power which is being sought by the Liberal government of Prime Minister Pierre Trudeau through changes in the rules governing the operation of parliament", Opposition Leader Robert Stanfield said yesterday.

Some hon. Members: Hear, hear.

Mr. MacEachen: The Leader of the Opposition said that no government in the free world has the power which the government of Canada is now seeking. That statement is simply inaccurate. The *Globe and Mail* for December 18, in a story headlined "Liberals Ready To Tarnish Nation To Get Rule Changes, Tory says", has this to say:

> Mr. Stanfield was in Toronto to attend the inaugural meeting of the Toronto Conservative forum . . . created to provide the national leader and the federal caucus with advice on policy matters—

• (4:30 p.m.)

I wish they would activate that group and get some advice about what is happening in the mother of parliaments, the British parliament, the parliament upon which the hon. member for St. John's East has drawn the blessings of God this very afternoon. The government in that parliament has had at its disposal a power not identical in every feature to the power being sought here, because of the various differences in rules, but which in principle is almost exactly similar to the power sought by this rule change, and I will demonstrate this if I do nothing else in this debate. I wish to quote from an article in the Parliamentary Affairs of 1958, since hon. members will regard what it says as more authoritative than a statement from a Liberal minister. It reads as follows:

> When the House of Commons makes an allocation of time order, it may provide that each stage shall close at a stipulated time, or it may allocate a definite number of sittings, of the standing committee or committee of the whole house, as the case may be, to the committee stage, the report stage and the third reading.

Mr. Baldwin: For one measure.

Mr. MacEachen: Exactly. For one measure. The hon. member is quite right. But I will show that it has been used on more than one measure in the British house. That is the precise power that is available to the British government, and to say that no government in the free world has this power is ridiculous and unfair to this debate and unfair to the Canadian people.

Some hon. Members: Hear, hear.

Mr. MacEachen: The article goes on to say:

> Some changes of detail have been made in the application of the timetable procedure since 1945.

Previously time tables had only been applied on the floor of the house. Then they were applied by the labour government to standing committees. The Tory party in opposition opposed that change but when they

came into office they perpetuated it and carried it into practice.

An hon. Member: Shame.

Mr. MacEachen: The Leader of the Opposition says, "Why, this is closure in advance, something new and unheard of. No free government has it."

Mr. Stanfield: Right.

Mr. MacEachen: Let us consider what the British do.

Mr. Asselin: But we are Canadians. We are not British.

Mr. MacEachen: Absolutely.

Mr. Asselin: That is what I say.

Mr. MacEachen: Absolutely. We are Canadians. I am only meeting the point that has been raised.

Mr. Stanfield: No, the minister is not.

Mr. MacEachen: I am meeting the point that no government in the free world has this power.

Mr. Stanfield: None has the power being asked for here.

Mr. MacEachen: I shall therefore continue reading from the article to explain the theory behind British practice:

> The assumption was that the government should produce to the house, as evidence of the need for a timetable, references to slow progress already made.

The Leader of the Opposition says and hon. members say, "Well, let us get on with it, let us have the flow of legislation and then, if we hold you up, you can apply closure. But do not do any timetabling or programming in advance." The British say:

> We know that the opposition intends to resist this bill as hard as it possibly can, and it will certainly be necessary to have a timetable if the discussion is to be completed within a reasonable time. Therefore it is better to have the whole of the proceedings covered by the timetable, so that the business sub-committee can make the most satisfactory distribution of time for the whole of the bill, rather than to wait until perhaps a quarter of the committee's time has been consumed on the first clause, and then be obliged to restrict unduly the debate on the later parts of the bill.

I want to demonstrate now how this has been used. In my hand I have an excerpt from British *Hansard* for 1954, when the time table motion was put before the house by the then minister of housing and local government. And who was he? Later he became the right hon. Harold MacMillan, prime minister of Great Britain. He brought in his bill; he brought in his motion; he put a timetable down for the committee stage; he put a timetable down for the debate on report and he put a timetable down on the third reading in advance. Second reading was not included. I will come back to that later. He made a marvelous speech in defence of this timetable motion. It is so delightful that I will share part of it with hon. members. He said:

> I have taken the precaution of looking through some of the present debates on similar occasions. They make quite interesting reading. A stranger to our proceedings might suppose that such a question would be debated as a mere matter of the most businesslike and convenient arrangement that can be devised, but, in fact, the debate scarcely ever turns on anything of the kind.
>
> What happens is this. The right hon. and hon. members who find themselves for the moment in opposition are filled with an extraordinary devotion to the principles of constitutional government, to the free rights of members, to the long historic struggle of parliament against the executive, to the cause for which Hampden died in the field and Sidney on the scaffold. But when, with the all-healing flow of time, these same members find themselves upon the government benches, they become comparatively immune to these high-flown sentiments. They are influenced by the urgent necessity which every government feels to carry through their parliamentary business with some relation to the calendar and to the march of events.

That is what the prime minister of Great Britain said. Nobody could put it better than the former Tory prime minister of Great Britain put it as he placed before the British house a timetable on every section of the bill. It was a timetable in advance.

Mr. Baldwin: Read what the Liberal leader said in reply to that. I defy you to.

Mr. MacEachen: The speech continues with these words:

> They abandon these elevated principles, or at least they mute the shrill strings of protestation.

We have heard a good many shrill strings of protestation from the hon. member for Winnipeg North Centre and the Leader of the Opposition who have expressed lofty sentiments in this debate. The prime minister of Great Britain in his speech talks about the government becoming the opposition and about the opposition becoming the government. He says:

> When in office, of course, they represented the guillotine as a merciful, convenient and lenient method of procedure. When they are out of office then the full horrors of the axe dominate their thought and inspire their oratory. Yet, by a strange

parallel, although the victims have to make the right kind of noises as they are drawn to the scaffold, when the axe falls, as we all know it must, nobody is more pleased than they are.

I want to take the hon. member for Winnipeg North Centre to the scaffold.

It is a wonderful speech. Then the question came to a vote, and this is even more interesting because we may see who voted for the extinction of the British parliament, to use the words of the Leader of the Opposition. Among those who voted to extinguish freedom of speech, fair discussion and parliamentary rights were the right hon. Sir Winston Churchill, the right hon. Anthony Eden and Mr. Edward Heath. Is the Leader of the Opposition trying to put over to the Canadian people that he has a better appreciation, a more sensitive understanding of the workings of parliamentary democracy—

• (4:40 p.m.)

Mr. Stanfield: In Canada, yes.

Mr. MacEachen: —than Winston Churchill, Anthony Eden or the present leader of the Tory party? Is he trying to sell a bill of goods that this government is asking for a power that is unheard of—

Some hon. Members: Hear, hear.

Mr. MacEachen: —a power that has been exercised by every British leader and that ought to have been in effect in this parliament a long time ago? I do not want to be unfair to hon. members. I want to deal with the Labour party.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question?

Mr. MacEachen: Later.

Mr. Knowles (Winnipeg North Centre): Before he cuts my head off?

Some hon. Members: Oh, oh.

Mr. Baldwin: Say a prayer for him before he goes.

Mr. MacEachen: In 1947 the Lord Privy Seal, Mr. Arthur Greenwood, moved a time allocation order on two bills at the same time. They were the town and country planning bill and the transport bill—two bills in the same time allocation order. He put down the standing committee, the resolution, the report stage and the third reading. It was carried, and among those great defenders of British parliamentary democracy, for which we are thanking God this afternoon, who supported the guillotine, the extinction of British democracy, of free debate, of the free institution of parliament, were the right hon. Clement Attlee, James Callaghan, Barbara Castle, Richard Crossman, an intimate of the hon. member for Winnipeg North Centre (Mr. Knowles)—

Some hon. Members: Hear, hear.

Mr. MacEachen: —one of his British cronies, Richard Crossman, the government house leader at present. So it is—

Mr. Baldwin: Those were related measures, the same debate.

Mr. MacEachen: There may be differences in detail between the British practice and our proposal but they have the same substance, the same principle. Will you accept the British proposal?

Mr. Stanfield: No, no; not necessarily for Canada.

Mr. Baldwin: Here is the U.K. standing order. Show me in this standing order anything that is similar.

Mr. MacEachen: I have always enjoyed reading the *Globe and Mail* but it was particularly interesting today to read what was described as a conversation between George Bain and the hon. member for Winnipeg North Centre. It was described as a conversation but it read to me like a monologue. I guess the hon. member took George some place and told him the facts of life. He said, "Imagine, George, they tried to get us to accept that we take only one day on second reading. Just imagine. They asked us to conjure up in our imaginations the notion of one day on second reading." And then the hon. member said, "We scotched that"—a great triumph for parliament democracy.

I would like the hon. member to take a look at the British house. They, as a matter of course, take one day on second reading of every bill. They put the motion down and it is finished that day. I say every bill. I could find only two bills that took more than one day. I have here the time taken on second reading of all their bills in 1959-60, 1960-61 and 1961-62. The bills range over every possible activity of British interest—foreign affairs, welfare, everything in one day. That is the British system. Thank God for the British parliamentary system.

Some hon. Members: Hear, hear.

Motion for Concurrence in Report

Mr. MacEachen: Would that my hon. friends would agree to one day on second reading of all our bills in this house, but we are not asking that.

Mr. Nowlan: Do you think a federal system is different?

Mr. Baldwin: They bring in intelligent bills in the United Kingdom.

Mr. MacEachen: My hon. friends are finding it very difficult to defend their position intellectually.

Some hon. Members: Hear, hear.

Mr. MacEachen: We have not proposed in rule 16-A that only one day be spent on second reading.

Mr. Knowles (Winnipeg North Centre): It might be one hour.

Mr. MacEachen: Take the Criminal Code bill, for example. It is an important bill. If that bill were in the British house it would take a day on second reading, that is all. We do not propose that. Certainly this government would not propose one day for second reading. It would propose more days on second reading.

Mr. Baldwin: How many? Tell us.

Mr. MacEachen: Here you have days on second reading, much more freedom than you would be offered if you were a member of the mother of parliaments. Here there are longer discussions on second reading. Then the criminal law bill will go to a standing committee. How much time will you have there? It may be weeks, months, and yet you are talking about the gag and the end of free speech. Then under the proposals made last Friday by the Minister of Agriculture (Mr. Olson) we could only put a motion down for second reading and the committee stage. That would give weeks of exposure to the bill. You could worry it to death in the standing committee. It could take weeks there. Then it comes back, the amendments are proposed under our new procedures, and a new allocation order is put down for the report stage and the third reading.

Mr. McGrath: Would the minister permit a question?

Mr. MacEachen: I will be glad to deal with any questions when I complete my remarks.

This proposal of ours, Mr. Speaker, has been misrepresented. It has been stated to be a unique development. It is not. It is a matter of course in the parliament to which my hon. friends refer. We are trying to utilize, as it must be utilized, the process of consultation, and that is the best way. It is always used in the British house and we have a provision in 16-A that there will be consultation, that there will be a sincere and genuine effort to arrive at a negotiated, an agreed time limit. When cases arise when opposition parties are so opposed to a bill that they will not agree to a time period of any kind, when the process of consultation breaks down, then the government will not go into some closet and pass an order in council. It will come to the parliament of Canada saying, "We are making a proposal. Will you support it or will you reject it?" And hon. members on all sides of the house will be asked to utilize their judgment. We on this side of the house are members of parliament.

Some hon. Members: Hear, hear.

Mr. MacEachen: It seems that hon. members opposite think, in the most arrogant way, that the only true representatives of the people of Canada are sitting in the opposition. All the members of this parliament will have an opportunity to say yes or no to any motion put down by the house leader and they will be able to debate it. They will be able to debate it for two hours.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Can we have order in the house?

• (4:50 p.m.)

Mr. MacEachen: When the British had the old guillotine rule, when Harold MacMillan, for example, put down his time allocation on his bill his order had to be debated for a day.

Well, they changed that in the British house last December. The right hon. Michael Stewart introduced a motion for a change in the standing orders, producing a new standing order, 43A, which cuts down the time of the debate from a day to two hours because they all said, you know, that spending a day in debate on a time allocation order is really not a very sensible use of the time of parliament. That is the new rule, 43A, that was introduced in Britain last December. Under it the minister makes a motion. He can propose the allocation of time in his motion for the committee stage and his motion authorizes the business committee to allocate the time on the

report stage and the third reading. The business committee on a bill then meets. The business committee has a government majority. It is made up of the chairman's panel and five members nominated by Mr. Speaker. When the committee puts down its resolution the standing order provides that it will be forwarded on without debate. That is the British system which had been adopted not in the middle age, not in some murky period of the past, but in December, 1967.

Michael Stewart put the case in the British house, I thought, as well as anybody possibly could put it. He said:

> The heart of this whole matter is—and it has been going on for quite a time in the history of the house—the effort to reconcile the two principles essential to democracy. The first of the two principles that are essential is that after proper discussion the majority shall be able to get their own way. The second principle is that the minority shall have a fair opportunity to express their view with vigour so that it may attract interest and support in the country as well as in the house itself.

Some hon. Members: Hear, hear.

Mr. MacEachen: That is what Michael Stewart said. The second principle is that the minority shall have a fair opportunity to express their view with vigour so that it may attract interest and support in the country as well as in the house itself. I subscribe to those principles, the two essential principles. In putting his motion on the order paper—the revised guillotine—and having it debated Michael Stewart expressed the two principles that every member of parliament must feel. The majority must have its way and there must be adequate discussion. Now, listen to this: They adopted this changed time allocation order in one day. They grappled with this issue in one day of debate. They put up their speakers from both sides and at the end of the day they voted and it carried.

Mr. Baldwin: They fixed the day by agreement.

Mr. MacEachen: They carried on by tradition. As my hon. friend knows, a motion is usually carried on the day it is debated in the British house.

Mr. Baldwin: By agreement.

Mr. MacEachen: I ask members of parliament in Canada to remember that a year ago the British dealt with the very issue we are dealing with now and did so in one day.

Mr. Lambert (Edmonton West): That is the reason they are so frustrated.

Mr. MacEachen: And we hear it said that this is an undemocratic government. Well, I think hon. members will understand for themselves the reason behind the British system. In the fourth report of the committee in the last session it was recommended that we take a look at the British system. The new committee took a look at it, and not a little look. I was in favour of the British system. I believe it is a good system. It has gone on for a long long time and has worked pretty well. The article from which I quoted concludes by saying that this rule has not destroyed or impaired free speech. It is still there for hon. members to examine.

If hon. members think the British practice is better than 16-A then they can look at it, but we on this side think there is an essential principle here. It is a principle that has been stated by Michael Stewart, by Harold Macmillan and, in a less definite way, by Canadian parliamentarians who say that at a certain time a decision must be taken.

Mr. Stanfield: Just as we all do.

Mr. MacEachen: But we do not admit that the opposition should have the right to determine the pace of public business. That is what is being put forward in this debate; that is it, that the opposition should determine the pace of public business. We do not accept that. We accept the principle that hon. members of this house should have an opportunity to express views on a public bill. Tell me how that is denied when a bill will receive second reading, when it will go to a committee for a period of weeks or months and then will come back on a second order for report stage and third reading. Remember this: If the good will that is now issuing forth from hon. members is genuinely based, then it will be only in a rare case of a breakdown that we will have to resort to this exceptional procedure.

Mr. Stanfield: When it suits you.

Mr. MacEachen: And in the case of a breakdown it will be put to a vote. I should like to refer again to what Michael Stewart said in the British house last year. He said:

> One could not run a parliament without an ultimate sanction to prevent the minority preventing the majority from getting their way.

That was not stated by a Liberal in this house. It was stated by a labour minister in the British house last December, a house we are thanking God we have. So let us not have the argument that this is something alien to

parliamentary democracy; it certainly is not. We are trying to put order into the legislative process through 16-A.

We should be able certainly to deal with the question before us today quickly and now. I do not know what the objections of the opposition are to 16-A. They have stated now they do not believe the minority has an ultimate right to rule the majority. They have stated that now, so that is not the foundation of their objection. Do they believe that the purpose of an opposition is to obstruct? Do they believe that the purpose of an opposition is to do everything possible to prevent the government getting its business done?

Mr. Crouse: That is what Jack Pickersgill told us in 1958.

Mr. MacEachen: Surely, with the increase in the work load which a modern parliament must face, most members will insist that that view of an opposition is outmoded and should be dismissed and rejected.

A third possible foundation for their objection is that they believe 16-A as now drawn could be used to rush bad bills through the house or that it could be used to put bills through the house before the opposition had an opportunity to put the torch to the heather. That is what they say they believe. If they mean what they say, then this debate can soon end. We can meet them easily on this point. We can meet them easily because the purpose of 16-A has nothing whatever to do with rushing bills through. If they do not mean what they say and if in truth their objections are founded on a belief in the rule of obstruction, then we on the government side cannot meet their point of view.

Mr. Woolliams: You are being ridiculous.

Mr. Speaker: Order, please. I must bring to the attention of the house that the minister's time has expired.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, could the minister have additional time so that we might have an opportunity to ask him some questions?

Some hon. Members: Continue.

An hon. Member: Don't cut him off now.

• (5:00 p.m.)

Mr. MacEachen: We have debated this rule change now for a number of days. The debate has centred on time allocation. It is called in the British house the allocation of time to bills. If the opposition does not like 16-A as we have put it, would they accept the British practice in accordance with 43A? Would they accept the former British practice before 43A was introduced? Would that please them? We are not dedicated to any particular detail. When this debate began the Prime Minister said the government had not prejudged the issue, that he had an open mind and that the government had an open mind. We are saying to the opposition: Let us come to a decision before Christmas on all aspects of these reports.

Some hon. Members: Hear, hear.

Mr. MacEachen: If members opposite want to take another look at what happens in the British parliament, if they think the practice there, or a modification of it, would be better for our purposes, if they want to accept the reasonable suggestions put forward by the Minister of Agriculture (Mr. Olson), suggestions which are very reasonable and helpful, and incorporate these in 16-A, we can help them on this too. We can meet them, ladies and gentlemen—

Some hon. Members: Oh, oh.

Mr. MacEachen: I am sorry. I was speaking to the press gallery and there are some ladies there.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Woolliams: I thought you were speaking to us.

Mr. MacEachen: I say to hon. members that it is time for us to reach a decision on all aspects of these proposals except 16-A. If you want to take another look at it, we can agree to that. We are not going to push you into an intolerable position at all. We understand that this is a very important issue for parliament. It is something every member will have to live with in the future, and we regard it as serious. We say to the opposition: We want to test your sincerity of purpose. But we say also we are resolved that this government shall carry out the mandate it received from the Canadian people to put order into the business of this house.

Some hon. Members: Hear, hear.

Mr. MacEachen: No amount of speaking will alter that position. If you want to send 16-A back to the committee, we will consider doing so. If you want to give an instruction to the committee to consider the proposals made

by the Minister of Agriculture, we shall give the committee an instruction to take a look at the British system. We shall give it that kind of latitude. But we shall not agree to depart from the basic proposition that order must be put into business and that the government must have the opportunity to get its business done in an orderly and planned fashion.

Some hon. Members: Hear, hear.

Mr. Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising to ask a question?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, and I ask it as one who hopes we can arrive at a basis for programming the work of parliament. My question is in two parts. First, with respect to the fundamental changes which were made in the rules at Westminster last December, will the minister tell us whether those changes were brought in by the government or whether they were thrashed out in an all-party committee and presented by that committee after substantial agreement had been reached?

My second question is: Would the hon. gentleman take the time of the house, and I am sure it will be given to him, to explain to us the role of that human being at Westminster who is know as "usual channels" and the part played by him in helping to reach agreement among the various parties in the house before these allocations of time are made?

Mr. MacEachen: I believe the motion to which I referred was a government motion. It was moved by a minister and it was opposed on a vote by a certain number of members. So I cannot regard it as being a unanimous proposal from a committee.

As to the "usual channels" in Britain, the hon. member is as familiar with the useful role that this person plays in negotiating and planning as I am. I believe personally that the consultative process in this house could be strengthened if we took a good look at the way in which it functions in Britain. The consultative process there works very well. When it breaks down they revert to the allocation of time proposal, and British democracy is still pretty sturdy and healthy.

Mr. Woolliams: Not in the house.

Mr. Knowles (Winnipeg North Centre): In the light of what the minister has said, is the government willing to consider, as part of a new look at this matter, the establishment of an independent person, an honest broker so that we might reach agreement rather than have a rule in which there is resort to compulsion?

Mr. MacEachen: I have not had an opportunity to consult with my colleagues on this point, but I think we would be quite ready to consider any proposal of that kind.

Mr. Baldwin: May I also ask a question?

Mr. Speaker: It is understood that these questions can be asked only if the minister is prepared to receive them.

Mr. Baldwin: That is so. But I believe the house had this in mind when it gave the hon. gentleman extra time. The minister has made a gesture toward what could be a useful settlement, and as negotiation seems to be out in the open at this stage may I ask whether it will be the intention of the government, supposing 16A were referred back to the committee, that there would be specific recommendations to the committee? In that case, would the minister consider including in those recommendations a direction that the proceedings committee and the house should not be asked to consider a number of measures without unanimous agreement in advance of the introduction of those measures to the stage at which we would know what was involved? Would he also let us know if he has in mind that the house would not be asked to agree to allocation of time with respect to any one single measure until that measure had progressed to a stage at which the house knew what was involved in it?

Mr. MacEachen: These go far to being fundamental questions and I certainly would want some considerable time to think about them and to refer them to my colleagues, particularly to the leader of the house. What I am really saying is: let us take a decision. I am not asking hon. members opposite to agree to all the proposals. Let us take a decision this week before we go on everything else, and take a look at 16A. I have made specific proposals that the committee be instructed to consider and report upon the amendments of the Minister of Agriculture, and on the British experience. The British practice gives you a pretty wide look.

• (5:10 p.m.)

Mr. Lambert (Edmonton West): It blocks you right in. You haven't got a chance, and you know it.

Motion for Concurrence in Report

Mr. Speaker: The hon. member for Oshawa-Whitby on a question. The hon. member for Charlevoix. I would not want to be unfair to the hon. member for Oshawa-Whitby. I did not understand clearly whether he was rising for the purpose of asking a question.

Mr. Knowles (Winnipeg North Centre): He wants to make a speech.

Mr. Broadbent: No, Mr. Speaker, I wanted to make a speech.

Mr. Speaker: The hon. member for Charlevoix.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, since I have come to this house, I have always listened religiously to the hon. Minister of Manpower and Immigration (Mr. MacEachen) who this afternoon, made a very spirited speech basing his thesis on British traditions.

Mr. Speaker, I have nothing against British traditions, but when the minister—and the government—use them to further their own thesis for electioneering purposes, as we witnessed this afternoon on the part of certain members on the government side—

[*English*]

Mr. Deputy Speaker: Order, please. I wonder whether we could have a little quiet in the chamber so we may hear the hon. member for Charlevoix.

[*Translation*]

Mr. Asselin: Mr. Speaker, when the members of the government take it upon themselves to trample down British traditions with a view to getting votes, as a Liberal member did this afternoon, by proposing that the word "Canada" be substituted to the word "Dominion"—to which I have no objection—under the pretext that it is another British vestige, I say that this is going too far.

During the debate I asked the hon. minister to make a speech as a Canadian but he preferred to refer to British traditions. However, I find some consolation in the fact that, at long last, the government has decided to be reasonable, which doubtless proves that the presence of the opposition in the house is useful and necessary. Had we, on this side of the house, accepted off-hand the changes to the rules proposed by the government, we would not have heard the minister tell us: We are willing to negotiate, to discuss, because the arguments you have brought up in the last few days on rule 16(A) seem reasonable to us. To my mind, that is one vital argument in favour of the usefulness of an opposition that is willing to prove its usefulness by watching over the government.

Of course, I am not authorized to accept the offers the minister made on behalf of the government, but our parliamentary leader expected the leader of the government to meet the other leaders in the house to come to an agreement. Once more, I repeat that if today the government made a proposal in an attempt to agree on clause 16(A), and if we accept various proposed reforms to standing orders, it is because the opposition was vigilant and because, since the start of this debate, it has not stopped telling the government, day after day, that under rule 16(A), the government was attempting to gag the opposition and trample down the basic principles of democracy.

I am very pleased that, as a result of our representations, the minister has shown himself ready to engage in a dialogue that might lead to an agreement.

The minister tells us: Consider us as reasonable men. That does not mean that we will allow only one hour for a bill such as the omnibus bill. But what guarantee do we have that the government will give a reasonable amount of time to the opposition to examine important bills introduced in the house?

Of course, the minister who is now leaving did not mention the fact that the House of Commons in London has already gone through an experience similar to that which we lived ourselves last February when the government held on to office, refused to resign and said to the house: We are the masters of the house, we will lead it in spite of the opposition's representations.

In fact, when dealing with a government that makes such statements in the house, I think the opposition is allowed to question the good faith of the leader and the members of the government when they tell us that they will be reasonable when applying rule 16A.

Mr. Speaker, I think we will never repeat often enough in this house—and we, as members of the official opposition, have said it many times—that we are in favour of parliamentary reform. In fact, we have been for it since 1964. At this time, I must say that the members of the Progressive Conservative party who sat on the special committee on procedure received from the caucus broad and definite instructions to accept whatever reasonable reforms the government wanted to suggest to the house.

Mr. Speaker, I should like to congratulate the government for being more reasonable today and ready to negotiate with us. I should like also to congratulate the members of our party and the other opposition parties which, day after day, sat on this committee and made proposals which might settle definitely some problems which we, on this side of the house, wanted to see settled in the house.

• (5:20 p.m.)

As we said from the beginning, the Minister of Manpower and Immigration agreed with us this afternoon, when he wondered about the efficiency rule 16A. When he asks us whether we want to negotiate so that the provisions of rule 16A would come again before the house, I will point out to him that my leader presented this request when he initiated the debate on the motion. When the leader of the Conservative party asked that the provisions of our standing orders which we could not agree to be referred to a committee, he was speaking on the same line as did the Minister of Manpower and Immigration this afternoon.

Of course, we are not so stubborn that we will refuse to negotiate, but I say in advance that the Progressive Conservative party will negotiate with due regard for the rights and privileges of members. The question is not for us to accept any compromise, but to accept a compromise which is acceptable not only to government members but to all members of the house. The government will then understand that rule 16-A was merely a provision enabling the government in advance to prevent members from deciding on important matters.

I am happy, Mr. Speaker, that the minister recognized this afternoon the usefulness of an opposition in parliament. We had the impression that this government, under the provisions of rule 16-A, wished to establish, in this parliament, a unitary government where decisions could be reached as quickly as possible. Yet we know that it takes a long time before the people are acquainted with a new act passed by the house. And rule 16-A gives the government the power, the authority, to say simply, through its house leader: We will discuss this measure during two hours, and then we will take the vote.

It is obvious, Mr. Speaker—and that is a constitutional matter—that the majority in this house should have the right to decide. That is obvious, but authority in this house should be exercised with understanding, without arrogance and with a willingness to co-operate with other groups in the house, instead of being exercised as it has been since the beginning of this session, by driving hon. members to the wall and telling them: You will accept what we propose, or else we will take the vote and crush the minority. Of course, the government can do that, and it is in that sense that the leader of the Progressive Conservative party was speaking when he said that rule 16A was giving the government powers which no other democratic country had yet received. That is the reason why the Leader of the Official Opposition (Mr. Stanfield) urged the government to be more reasonable, more understanding and to start a dialogue with the various opposition parties, in order that rule 16A may be reconsidered.

If the government wants to, I believe that we, on this side of the house, will get together to consider the government proposals, and if they are reasonable, we are ready to co-operate for, as I said a while ago, we are in favour of parliamentary reforms.

Mr. Speaker, I said a while ago that the government could take advantage of its majority, as this is in accordance with the constitution and many ways are available to do so. It has often been said during this debate that the government could make use of its power to apply the rule of closure. It is obvious that this rule did not always enjoy very great popularity with the Canadian people, but it is a weapon the government can use whenever the opposition becomes unreasonable in the course of discussions and lengthen debates needlessly.

I would not object if the government, deciding that the opposition was taking up too much of the time of the house, were to apply closure, as preceding governments have done. However, there is another alternative, which was mentioned this afternoon. There could be a meeting between the leaders of the different parties and being men of good will, we could agree on the order of business and the time to be allowed for the discussion of bills introduced in this house.

However, Mr. Speaker, rule 16A would give the government house leader absolute power. He could simply tell the house: Today, we will consider an amendment to the Criminal Code which is very important, but we only have so much time in which to discuss it.

We suggested that the committee of house leaders should have their word to say in the programming of the business of the house and that the decisions should be taken by the majority of members.

By insisting on rule 16A the government seems to consider us as people intent on filibustering. That is how the government has decided to consider the members of the opposition.

However, Mr. Speaker, as several of my colleagues have said, since the beginning of the session, I do not think that any party has been more co-operative than ours with the government. I see that a government member seems to have some doubts but I suggest to him that he should read *Hansard* to note that we asked the debate on the address in reply to the speech from the throne to be shortened.

We passed important laws without discussion. Yesterday again we passed the anti-dumping legislation. I think that our discussion was reasonable and did not go beyond the limits that can be imposed on the members of the opposition. I think that we have co-operated in model fashion and, for that reason, I assume that rule 16-A is unacceptable, anti-democratic and would give almost dictatorial power to a government member who could conduct the business of the house as he saw fit.

• (5:30 p.m.)

Mr. Speaker, we co-operated with the government but, from time to time, we also refused to when, in our opinion, it introduced measures which were not in the common interest of the Canadian people.

I think that if my colleagues of the government in office had the chance to speak as freely as we have, they would have been the first to criticize the government when it put an end to the winter works program, which resulted in a substantial increase in unemployment in the province of Quebec.

They would have been the first also to oppose an increase in postal rates and the levying by the Minister of Finance (Mr. Benson) of a 2 per cent social development tax on personal income tax.

They would also have been the first to object to an uncompromising and inflexible attitude on the part of the government in federal-provincial relations.

Mr. Speaker, we do not approve the attitude of the Prime Minister (Mr. Trudeau) and that of the President of the Privy Council (Mr. Macdonald). I am sorry about that, because the President of the Privy Council is very friendly, socially; but in the house, he is completely transformed: he then becomes obstinate, arrogant and seems to want to make fun of the opposition. Naturally, we cannot approve the arrogance of the President of the Privy Council, nor the way in which he has tried to impose his views on parliament since the beginning of this session. If, in addition, we were to agree that the powers mentioned in rule 16A should be granted the government, we would be setting up a dictatorship. We do not want the President of the Privy Council to be called a dictator by hon. members, and he will understand that by refusing to grant the powers mentioned in rule 16A, we are giving him invaluable help.

What guarantee can the government offer the opposition that no limit will be set on our debates? I said, when I started my remarks, that last February the right honourable Prime Minister of Canada, then Minister of Justice, had risen in this house and in the heat of the argument had dropped this phrase: "Nous sommes les maîtres de la Chambre". We are the masters of this house.

Mr. Speaker, considering the words of the right honourable Prime Minister and the kind of thinking they reveal, how can anyone expect us to give the government the powers which rule 16A would confer? It would mean that the opposition agrees to be gagged and deprived of the role assigned to it by the standing orders of the house, and by the Canadian people when they voted for the members of the opposition. The government should remember that even though it was victorious last June, the parties of the opposition still got more than 42 per cent of the popular vote, that they represent part of the population, and that their opinions must be expressed, not in committees but in the house. We are here to fight for an important sector of the Canadian electorate, which entrusted us with the mandate of watching and scrutinizing the actions of the government.

It is obvious, Mr. Speaker, that we have decided, that if negotiations on rule 16A do not come to a satisfactory settlement, we will fight for the survival of the basic principles of democracy, despite the attitude of the government. Therefore, the debate will be pursued until the government is reasonable and proposes a solution likely to clear up the imbroglio where it finds itself by refusing to give up rule 16A and by persisting in enforcing a continued guillotine to the debates of this house, as rule 16A would permit.

Mr. Speaker, obviously, we do waste time in parliament, and it is necessary to revise

our rules. But that does not mean, for example, that, under the pretext of improving procedure, the rights of the opposition should be restricted to the point of rendering it practically useless. The very reason for the existence of the opposition, and its only weapon, lies in the fact that it can sometimes force the government to re-examine its bills, amend or even suspend them, if we consider them to be inadvisable or harmful to the Canadian people.

That was the goal we set ourselves when we decided to fight rule 16A to the finish and ask the government to allow the house to consider a third, or 20 or 25 per cent at least, of the estimates, so that we may discuss and examine publicly the estimates which the government intends the house to vote.

Mr. Speaker, it is in the name of common sense that the newspapers of the country have espoused our cause. If this debate had taken place in committee, the newspapers of the country would not have had the opportunity to follow it as they did here nor to have a rather exact opinion about the debate. It is because of the support of the press and radio that this afternoon the government agreed to dialogue and to negotiate with us.

However, the mass media which are always on the lookout for any move on the part of the government represent a weapon which must continue to exist. And the best way to keep the public well informed about what is happening in the House of Commons is not to sit in committee. How can we expect the newspapermen, in one day, to cover five or six committees all sitting at the same time?

• (5:40 p.m.)

The major decisions are taken by parliament which is the supreme court of the nation, where we study, examine and pass legislation which is very important because it sometimes restricts the freedom of individuals and the people. Consequently, it is publicly, in this house, that the fate of the government must be discussed.

The press is a means of exerting pressure and if it had supported the government since the beginning of this debate, it is quite possible that the latter, with its majority, would have taken the necessary measures to apply closure and pass the amendments to the standing orders as proposed by the chairman of the committee on procedure. It is because the press fought on our side that the government decided to be reasonable and to negotiate.

Speaking of the press, Mr. Speaker, all the newspapers have supported our point of view, but there is one, in my opinion, which has been quite explicit about the matter. It is *Le Devoir* of Montreal, which is quite objective. In its issue of December 18, 1968, there was the following article entitled: "A Threat to the Freedom of Parliament", and I quote:

> The new formula proposed by the government would enable it to have recourse constantly and regularly to a programming of debates which would be equivalent to automatic closure. For each bill or legislation, the government would decide in advance by its majority in the house that so many hours are allotted for such or such a stage and for consideration in committee. In this way, parliamentary proceedings would certainly be disciplined but the opposition could no longer play its role efficiently and would be muzzled.
>
> The proposed rule would interfere with that essential democratic process. Our political system cannot be programmed as proposed, because that would destroy it. More flexibility must be allowed in parliamentary proceedings. The excessive power requested by the Trudeau government seems inspired by the view that the opposition will indulge in filibustering and that it must be put in a strait jacket so that parliament can operate efficiently.
>
> But parliamentary rules must not rest on such abuses. Since he has become Leader of the Opposition, Mr. Stanfield has not shown such irresponsibility. Last year he could have toppled the Pearson government at a time when it would have greatly embarrassed the Liberals.
>
> In view of the impressive majority he now holds, and of the attitude of an opposition led by a reasonable and moderate man, Mr. Trudeau has no excuse to gag the opposition as he plans to do.

This is the editorial of *Le Devoir*, signed by Paul Sauriol. I could speak to you of the editorials of the *Globe and Mail* and the *Gazette* and other papers that express the same views. I say this, in closing: Because of the pressures of mass media who have supported our cause, who have said to the government that it is senseless to impose rule 16A on parliament, and also because of the work of our leader and the members, this afternoon the government at last offered to negotiate on clause 16A.

As a member of my party, and knowing my colleagues, I am confident that offer will not be rejected, that they will deign to hear us and take our advice into consideration, to the effect that the co-ordination of the business of the House of Commons could be agreed upon in a cordial atmosphere by the various parliamentary leaders instead of allowing the government house leader to impose closure at every turn.

I think that, in this case again, we will not turn down the offer which was made to

us by the honourable Minister of Manpower and Immigration. We are going to consider it and if we think that it might help preserve the democratic principles whereby we can have in this house frank, sincere and loyal discussions on the bills presented to us, the government can be assured of our full co-operation in a further study of the provisions of rule 16A.

Before closing, I wish to congratulate my colleagues of the Progressive Conservative party and all the members of the opposition who, through their perseverance, have caused the members of the government to think the matter over. And if the government wants to be reasonable,—which is quite consistent with the spirit of the season—we, on our side, will prove to the government that, in the interest of the Canadian people, we are prepared to negotiate with it in order to safeguard the privileges and the rights of all honourable members.

[*English*]

Mr. J. E. Brown (Brant): Mr. Speaker, I do not wish to take up the time of the house for very long in saying one or two things about this debate. I am going to support the adoption of the committee's report that is before the house at the present time. May I say I have been very impressed by the tenor and high quality of the debate in the house this afternoon, particularly the magnificent speech by the Minister of Manpower and Immigration (Mr. MacEachen). I hope that the offer he made to end the present impasse will be accepted, that the proposed rule 16A will be held in abeyance pending further study and the rest of the proposals made by the committee will be accepted and approved by the House of Commons.

A great deal has been said about the inherent danger involved in adopting the committee's report. It is said that this would present a danger to our democratic process. However, it occurs to me that a greater danger lies in failing to agree to a timetable prepared by the house leaders of the different parties, and certainly there is a danger of our leaders failing to agree to such a timetable among themselves.

Timetables for debate and for the length of such debates on government legislation presented to the house have been used by most modern democratic parliamentary institutions. This is particularly true, as has been pointed out this afternoon, in the House of Commons in the United Kingdom, where such a timetable has been in operation for many years under both Labour and Conservative administrations. There is no doubt that the development of parliamentary government is a subject of contention and controversy. Just the same, parliamentarians feel that there is need for talk on every subject that comes up for consideration. However, shortage of time does not permit us to talk for long, much less to obstruct and far less to filibuster.

Democracy cannot survive in face of obstructionist tactics on the part of elected oppositions in democratic parliaments. I am not saying that such a thing takes place in this chamber, certainly not by design or by contrivance. I have too many friends on both sides of the house to level any such accusation. Nevertheless, the danger of obstructionist, defeatist and filibustering tactics could be fatal to the democratic process in modern times, just as fatal in Canada as it could be in the United Kingdom. Is this country going to be compared with Russia, China and other countries that have no orderly democratic parliamentary practices? Good government is necessary for any nation to succeed in the world today.

• (5:50 p.m.)

We must sacrifice some of the inherited rules of practice and procedure in this House of Commons. This is not easy for us. Most of us I think want to maintain the old, traditional rules of the parliament of Canada. But in the modern world of technology I say that parliamentary reform is absolutely essential if we are not to be bypassed and if parliamentary government is to be effective. Here in Canada each of us should be thankful that we can express our views on matters of national importance. But we must be brief, we must be disciplined, and we must not overplay our individual rights and the liberty we have as members of parliament to oppose and to criticize. I fail to see why the present impasse should not be broken. In my opinion, what is asked by the President of the Privy Council is not so unreasonable. Can the opposition parties not agree to a time limit on bills that are to come before the house?

Mr. Schumacher: Not in advance.

Mr. Brown: Intransigence must not stand in the path of Canada's progress toward a modern and democratic set of rules and procedures in the House of Commons.

Mr. Speaker: Order, please. There has been a knock on the door.

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-146, an act respecting the imposition of anti-dumping duty, without any amendment.

THE ROYAL ASSENT

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

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

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

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Customs Tariff.

An act respecting the imposition of anti-dumping duty.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1969.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It is my duty, pursuant to provisional standing order 39-A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles), Public Service —superannuated federal employees—Request for increased pensions; the hon. member for Broadview (Mr. Gilbert), Criminal Code—Inquiry as to introduction of amending legislation; the hon. member for Surrey (Mr. Mather), Old Age Security—Request for issuance of cheques before Christmas.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

Private Bill

PRIVATE BILL

AETNA CASUALTY COMPANY OF CANADA

Mr. Ian Wahn (St. Paul's) moved the second reading of Bill No. S-11, to incorporate Aetna Casualty Company of Canada.

He said: Mr. Speaker, this bill seeks the incorporation of a company under the Canadian and British Insurance Companies Act to carry on business in all classes of insurance other than life insurance. A similar bill has been introduced in previous sessions and I believe that many hon. members who are here are familiar with it. For this reason I shall keep my opening comments brief but will be happy to answer any questions that there may be with regard to the details of the bill.

The proposed company would be a subsidiary of the Aetna Casualty and Surety Insurance Company of Hartford, Connecticut. This is a respectable company which already carries on business with its affiliate, the Standard Fire Insurance Company, in all the classes of insurance for which application is being made in this bill to incorporate the new Canadian company. In brief, therefore, what this bill seeks to do is to permit this respectable and reputable group to carry on business through a Canadian incorporation rather than through the United States parent company and its affiliate.

The parent company, the Aetna Casualty Company of Hartford, has held a certificate of registry under the Foreign Insurance Companies Act of Canada for the past 49 years. It has reviewed its operations in Canada and has concluded it would be desirable for the Canadian business to be carried on by a company incorporated in Canada. That, in brief, is the object and purposes of this bill.

I think hon. members will be interested in how the company proposes to operate in Canada. Pending the establishment of the Canadian company, in order to expand its operations in Canada the parent company in September, 1966, opened an office in Toronto which is known as the head office for Canada. It is headed by a Canadian who is general manager for Canada. Canadians are also selected to head the fidelity and surety and underwriting operations for this office.

• (6:10 p.m.)

There are presently 97 employees in this office, 71 of whom are Canadians. Of the 26 non-Canadian employees in Toronto, only 10 are United States citizens. Of the five non-Canadians in Montreal three are United

States citizens and of the four non-Canadians in other offices one is a United States citizen. In September 1968, an office was opened in Montreal. The head of the Toronto office is responsible for the operations of this office which numbers 41 Canadians among its 46 employees. All present employees of these two offices would become employees of the Canadian company. The parent company now has claim offices located in Quebec City, Ottawa, Hamilton, Winnipeg, Calgary and Vancouver. All but four of the 50 present employees in the six claim offices are Canadians and all present employees would become employees of the Canadian company.

In the two years since the Toronto office opened in September 1966, the number of employees in Canadian operations has increased from 90 to 193. Normal growth would indicate that by the end of five years employees in Canadian operations would number 450 of which at least 90 per cent would be Canadians. The Canadian company would be under the direction of the general manager for Canada who would have charge of the company's operations throughout Canada. Underwriting, sales, engineering and accounting will continue to be centralized in the head office at Toronto but, as the need becomes evident, facilities for these services will be placed in other important cities in Canada, as occurred with the opening of the Montreal office in September, 1968. Of course the experience and services of the United States company will be available for the assistance of the Canadian company.

One might ask what objection there could be to the incorporation of this company. I think perhaps the objection that would be raised is that it is intended to be a subsidiary of a United States company and that its capital will be United States capital.

Mr. Gilbert: You are right.

Mr. Wahn: Yet there is no law against the incorporation of Canadian companies which are subsidiaries of United States companies. This house would have the option to pass such a law if it chose. Until such a law is passed it seems to me that these companies should be treated on the same basis as other companies and that if they are prepared to abide by our laws their incorporation should be welcomed. Capital from the United States should continue to be welcomed in Canada as long as the owners of that capital abide by our regulations and conduct themselves as good corporate citizens of Canada.

[Mr. Wahn.]

This company if incorporated will be subject to regulation by our Department of Insurance. The form of the bill of incorporation is standard. I understand there is no objection from the Department of Insurance to the incorporation of this company. I believe that probably all members of the house will agree that increased competition in the general insurance business in Canada would be an excellent thing from the point of view of the ordinary Canadian who from time to time buys insurance. This is a reputable company. The formation of a subsidiary in Canada will assist in extending its business and increasing competition in this important field and will confer positive advantages upon Canadians.

Members may be interested in the record of the company with regard to profits made in Canadian business. I have been informed it is the intention of the company to leave any underwriting profits in Canada in order to strengthen the financial structure of the Canadian company. With regard to the personnel policy I have been informed that a primary objective of the company will continue to be to employ Canadians in the management of the operation to the extent they are available. Of course nearly all clerical personnel will be Canadians.

In brief the establishment of the company or its incorporation as a Canadian company will create for Canada additional employment and additional capital funds. Additional capital is something which we need a great deal of in Canada at the present time. The parent company has stated that it looks upon the establishment of the company as an additional thrust for the already demonstrated expanding Canadian economy and as a permanent and growing part of this economy.

If there are any questions with regard to the company I will be happy to do my best to answer them. I hope it may be possible this afternoon to refer the bill to the appropriate committee where a more detailed study of the company and the proposed place of this company in Canada can be considered.

Mr. Frank Howard (Skeena): Mr. Speaker, we certainly welcome and listened with interest to the introductory remarks of the hon. member for St. Paul's (Mr. Wahn) with regard to this bill. I think, however, with all respect and not unkindly, that there is a certain misleading element in the hon. member's remarks. This does not detract from his sincerity in presenting them, but I think there is another side of the picture which should be disclosed. I have in mind the question of a

foreign owned company meeting no objection by the Department of Insurance.

If I might be permitted to deal very briefly with the ideas expressed by the hon. gentleman, I should like to indicate to the house in what respect I do not think they are in the full sense valid reasons for accepting the proposition that we should endorse the bill. I understood the hon. member to say that foreign capital should be welcome in Canada as long as the owners of that capital obey our laws, regulations and the like. I do not even know whether the reference to obeying the law is necessary. The purpose of having laws is that they be obeyed. I would not even presume to cast any reflection on the company by suggesting it had any other intention than to obey the laws and regulations and work within them.

The assertion that foreign capital should be welcomed if the owners of that capital obey the laws of the country really begs the question of whether or not we should continue the practice of endorsing foreign capital investments in Canada to the extent that they control sections of our economy. That is the question that we should be dealing with and not whether or not they will obey the law. There is no presumption on my part or, I am sure, on the part of other hon. members that the Aetna company has any other thought than to live by our laws and regulations.

With regard to no objections having been made by the Department of Insurance, in terms of foreign control this is meaningless because Mr. Humphrys, the Superintendent of Insurance can do nothing else but simply look at the bill and the structure of the company in the light of the law as set out in the Canadian and British Insurance Companies Act. Mr. Humphrys has no authority to look at the matter of foreign ownership with regard to whether it is good, bad, or otherwise. Simply to say that the bill should be passed because the Superintendent of Insurance has given it his stamp of approval is not really a valid argument for passing the bill. Mr. Humphrys is a public servant and, like many other people in the Public Service of Canada, assiduous as he is he simply follows the narrow letter of the law which guides him. He has no authorization to step outside those bounds.

In fact, I am rather surprised that Mr. Humphrys permits himself to be used as an advocate of some kind in respect of some of these companies when he appears before the committee. In many cases, and this one is no exception, Mr. Humphrys would appear to be the advocate of the company itself because he is the one who presents all the reasons and provides all the answers and explanations in respect of how the company intends to operate and what it intends to do, while the officers of the company who appear before the committee often say relatively little. This, I think, is a pity. The officers and lawyers representing these companies sit in the background and let Mr. Humphrys, the Superintendent of Insurance, carry the ball for them in presenting the case.

• (6:20 p.m.)

Perhaps it is because this happens that the hon. member for St. Paul's argues that this bill should be endorsed on the ground that Mr. Humphrys supports it or has no objection to it. Possibly it is the procedure followed in the committee, which seems to imply that Mr. Humphrys is the president of some of these companies and is defending their position and asking for support that is responsible. I hope Mr. Humphrys will continue to be a witness before the committee but that he will confine his remarks to the relation between the proposed bill and the public law. I also hope that members of the committee will confine their questions to this simple relationship, and that the officers of these companies will reply to questions concerning the directors and so on and not leave Mr. Humphrys, the Superintendent of Insurance, to carry the ball for them.

This bill was considered by the banking and commerce committee of the Senate on October 23 of this year. Mr. Humphrys was there, together with officers representing Aetna, and certain questions were asked about a subject which in my view is the fundamental aspect with which we should be concerned here, namely, the degree of foreign ownership involved.

As an aside, perhaps I can say that once again evidence was given relating to the number of people working in the different offices of the company, the number who were Canadians and the number who were not Canadians. But this information is not material to the point I have in mind. It does not really matter whether 100 per cent of the employees in the company's Canadian operation are Canadian citizens. It is still someone in Hartford, Connecticut, who is calling the shots and making the decisions. Even if all the people in the Canadian offices were born and raised in Canada, even if they

were all good Canadian citizens, it would not matter as much as a pinch of snuff because they would be carrying out the intentions of the parent company. It is the parent company which decides policy questions.

I recognize it may make nice reading. I am sure the hon. member for St. Paul's was absolutely sincere in his representations to the effect that it is valuable to have Canadians working for the company in this way. But it is meaningless in terms of what the company will do because the people who control it are not Canadians. They do not live in this country and they have no political or other responsibilities to the nation.

In the committee on October 23 certain questions were asked and I may have to read from the record at some length in order to establish my point. Both Senator Croll and Senator Thorvaldson directed attention to the question of foreign ownership. As reported at page 45, Senator Thorvaldson said:

> I think we might as well get a complete answer to Senator Croll's question. What he was wanting to know was what proportion of the share capital of the parent company which, I take it, is Aetna Casualty, is owned in Canada.

The question was answered by Mr. Clarry, counsel for the company and one of the provisional directors, if I am not mistaken. In any event, there is a Mr. Clarry who will become one of the directors. The answer was as follows:

> Senator, it would be a little difficult to give a precise figure, but as Mr. Rhine has indicated, there are approximately 300 shareholders so it would be a relatively small proportion.

Mr. Rhine is a vice-president of the company. I have interpreted his answer to mean that 300 shareholders are Canadian out of approximately 25,000. The exchange continued:

> Senator Thorvaldson: But that is meaningless. They might each own one share.
>
> Mr. Clarry: I do not think we have the precise relationship with regard to the number of shares.

In other words, he did not know.

> Senator Thorvaldson: I am talking about the percentage of money.
>
> Mr. Clarry: That is, of the shareholdings of the parent company?
>
> Senator Thorvaldson: Yes.

We now have an intervention by Mr. Rhine who is, as I have said, a vice president of this company and a big wheel in its affairs. He said:

> I understand your question, but I am afraid I cannot answer it. You are asking how many dollars of value is represented by these some 300 shareholders. Is that not what you are asking?

[Mr. Howard (Skeena).]

The record continues:

> Senator Thorvaldson: Yes, what I am wanting is the percentage of Canadian ownership in this company. I ask that question because I think it is something you will meet in the other house and I am trying to help you a little bit.

That is the understatement of the day, Mr. Speaker. He went on:

> It is also, I think, something we should know since the other house has made an issue of this very point.

In other words, until now the Senate has not concerned itself with this aspect; it is only because it has been raised here on a couple of occasions that the Senate itself was bothered about it. Mr. Rhine said the figure would have to be determined, after which Senator Croll remarked almost incredulously, I think, knowing Senator Croll:

> Do you mean to say that you were not asked that question during the two sessions you had before the other house?

Mr. Clarry replied:

> That is right. That question was not asked.

Then Senator Croll, having in mind the necessity of bolstering the position of the Senate from time to time, commented:

> Then you can see the usefulness of the Senate. It can be relied upon to come up with something new.

I do not see where the newness is unless it is in this comment as to Canadian ownership made a little later by Senator Croll:

> I was going to suggest that it is infinitesimal.

In other words, there is no Canadian ownership in any real or meaningful sense.

I wanted to read this whole exchange so as to draw attention to some of the ludicrous features which are apparent when taken with other things that have been said during these proceedings. At one stage one of the senators expressed surprise that this bill had been before the Senate on two other occasions. He subsequently cleared this up by saying he had remembered.

The Senate, supposedly a valuable asset to Canadian politics, a part of our political system, is trying desperately to justify itself by saying how valuable it could be in conducting committee studies, how it could easily replace royal commissions which might otherwise be set up in the future and perform a useful task by inquiring into all and sundry subjects and arriving at meaningful proposals for the solution of problems which arise in Canada. On the other hand, the proceedings of this committee indicate that the Senate is not sure

what it is about and has not exhibited the degree of interest necessary to promote Canadian ownership of enterprises in this country. I submit that notwithstanding anybody's individual opinions the Senate is not in the least interested in Canada or Canadian ownership because it has treated this whole question very lightly and very inconsiderately. As Senator Thorvaldson said, he only asked this question to help the company a little bit.

• (6:30 p.m.)

He said as an aside and an incidental comment, "It is probably something they should know about as well." I think this is one thing that showed up in the discussions about this company.

However, when it gets to the house, this is where public policy is enunciated. This is where the cabinet is and where the Prime Minister (Mr. Trudeau) sits and makes announcements. He made a point of telling the Leader of the Opposition (Mr. Stanfield) about that today. With some relish the Prime Minister said that he would make announcements in the House of Commons because this was where he is; he did not have any right to be in the Senate. This is the place where public policy in these matters should be developed and determined.

Until a few months ago we thought the position of the Canadian government was in favour of Canada. We thought that the government of this nation was concerning itself seriously, thoroughly and completely with the degree of foreign ownership in this country and wanted to take some measures to ensure that Canadians would have some determination over what was happening to our economic activity. But this has obviously gone by the board, and we are fast coming to the conclusion that not only has the government not paid much attention to what is going to happen to Canada in terms of economic development and control internally by and for ourselves—

Mr. Wahn: Mr. Speaker, could I ask the hon. member a question?

Mr. Howard (Skeena): Certainly.

Mr. Wahn: Would it not perhaps be wise, in view of the importance of the basic principle the hon. member is now discussing, to permit this bill to go to committee where a proper forum could be provided and it could be discussed at much greater length and in much more detail than we could possibly have here in the few minutes remaining this evening?

Mr. Howard (Skeena): Mr. Speaker, if the hon. member for St. Paul's can guarantee that the government will present to that committee its views about Canadian ownership, the policy it has and the steps it intends to take in order to put us in the position to regain control of our economy; if he can speak for the government and guarantee that a member or members of the government will appear before the committee and make this sort of declarations, I will gladly agree with him. Can the hon. member make that commitment to us?

Mr. Wahn: Mr. Speaker, unfortunately perhaps from my point of view, I am not in a position to speak for the government. However I can assure the hon. member that there are a great many highly qualified people who would be happy to speak on that subject. It would be a very interesting subject to discuss in the committee.

Mr. Howard (Skeena): The Minister of Agriculture (Mr. Olson) is here. He is prone to speak for the government from time to time. Perhaps he can tell us whether government policy will be presented to the committee to make sure that Canada will have an opportunity to control itself in so far as its economy is concerned. But without such an assurance I think I can answer the hon. gentleman's question only in the sense that to agree with him to send the bill to committee, without any assurance such as I have just mentioned and which the hon. gentleman says he cannot give, would be simply an exercise in futility. There may be many qualified people on the committee; but it would result in our coming out by the same door through which we entered and we would have no adequate answers about what the government intended to do in this situation. And we are talking about government policy.

Mr. Wahn: Mr. Speaker, would the hon. member not agree that public opinion has great force and that committee hearings are proving increasingly important in bringing public opinion to bear? In all sincerity I say that the hon. member has raised an extremely important question, that of the Watkins report, which has not been discussed in detail. I suggest this would be a very useful thing to do.

Mr. Howard (Skeena): I do not know if you can exhume the Watkins report and bring life

back into it. It has been buried, as the hon. gentleman knows; it has gone. The government has rejected the concepts of the Watkins report; it has ignored them. Is the hon. gentleman trying to tell me that the Prime Minister is wrong? Is he trying to substitute his statements for those of the Prime Minister? I am sure he would not want to do that. In fact, I do not know anybody on that side who would want to challenge the Prime Minister, no matter how stupid and wrong he is in anything he says. Nobody over there is brave enough to say anything about it. Even Steve Otto, the hon. member for York East, when speaking to a Liberal association meeting not too long ago, said that the role of the member of parliament is going to be eliminated as we know it by the proposed rule changes; but he would not say anything unkind about it because—

The Acting Speaker (Mr. Richard): Order. The hon. member's time has expired.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I know the house would agree to extend the time of the hon. member, if he asked, but we would not want to deprive other members of the opportunity to take part in this lively debate. The Aetna Casualty Company is an old friend; they have been before us at least three times. On each occasion we have been opposed to the incorporation in Canada of a foreign owned company. This company is operating in Canada and has been for many years. We have no particular objection to that, and there is nothing we could do about it if we did have an objection. We are objecting to their coming into Canada and establishing a subsidiary company to operate like a Canadian company on the Canadian scene, without giving that Canadian company the autonomy that would in fact make it, as a former minister of trade and commerce used to say, a good Canadian corporate citizen. This company obviously does not intend to be a good corporate citizen at all.

In fact, when questions were asked on this matter the answer was that the insurance business is an international matter and therefore should not recognize the bounds of nationalism, or any other provincial or state restriction that would limit it. This sounds very much like the Rothschilds when they talk about finance. They believe that money has no conscience, no nationality and no patriotism, and therefore it does not have to be a good corporate citizen. Their theory is that you can take money where you can get it; there is no dirty money, no matter from what source it comes. They believe that money from the common brothel is as good as that which comes from somebody's hard earned pay cheque.

I believe this is something with which many Canadians will disagree. I disagree with it, as I am sure do many of my colleagues. I think many members of the house agree that we face in this company a phenomenon that has taken place on the North American continent in the last 50 years and in fact has spread to all countries of the world. We face a totally different type of company than that which was originally formed when the great American interest developed, in the mercantile sense, when the United States was able to gain the benefit of money from other countries without losing their soul in the process.

When the United States was starting as an industrial nation and needed large amounts of capital—and there is certainly a similarity between their progress 100 years ago and ours today—they were able to borrow these sums of money in the form of direct loans. This money was paid back, together with the interest charged in respect of it. Companies were originated because of the capital obtained and the generation of input from other sources, namely Dutch and British interests, and the people who lent the money got it back, plus the interest. But when it was all over it was apparent that the economy in that area was more vibrant and self-sustaining. As it happened they went bankrupt.

• (6:40 p.m.)

This is not what is happening in Canada in this case. Here is a company that has a very large interest in the United States. There is no question about its being an old and reliable insurance company which has been doing business in Canada for years and which has been supervised to a certain extent by Canadian authorities in terms of the liabilities it retains. However, in the main it has been operating as a corporate citizen, not even of the United States but of a state in the United States, because of some insurance principle that must have existed in Connecticut which was not common to other states. I think that any hon. member interested in background information relating to insurance companies could look up the insurance legislation of the state of Connecticut and he would find that hundreds of insurance companies have their

head offices in Hartford, Connecticut because the legislation in that state is favourable to their business.

There is no reason why we as Canadians being faced, with the development of a new company which desires to do business in this country, and to operate under our protection and our legislation, should not demand that they set up a Canadian corporate company. That is not what is being done. This will never be a Canadian company but only a federally incorporated company. It will be supervised by our superintendent of insurance but it will always be a foreign owned and foreign dominated company because it is only a subsidiary. This has been the history of insurance companies in Canada. I have already said that the United States was able to develop on borrowed capital; we have been able to develop as an extension with subsidiary companies in every industry in Canada, as a consequence of which we do not own any of the industrial development of this nation and we continue to operate only with branch offices. I suppose the easy way out for the company would be to buy government securities, but it will be necessary for them to carry in Canada only the amount of money needed to cover their liabilities, and I doubt if the company will maintain much capital beyond that.

It surprises me that members of parliament, who are surely as good Canadians as I hope I am, fail to see the dangers that are entailed in allowing these very capable companies to come into Canada and operate in such a manner that they can never become part of the Canadian development. I think it is important for us to be aware of our potentialities. This company wants to come to Canada and do business here. I am sure that if we had a law specifying that all the directors on the board of the company must be Canadians, and that a certain percentage of their shares must be owned by Canadians, the situation would be different. All the companies that want to start operating in Canada want to have a big investment on their money. So long as this is the case and so long as they get a reasonable interest, they will want to remain on the Canadian scene. On the other hand, we as Canadians should insist on the right to buy into those companies and to become part owners. If tomorrow we were to pass a law saying that 75 per cent of this company must be Canadian owned, they would surely be willing to set up their company here and to sell their stock on the market in the hope that Canadians would pick it up. Obviously $500,000 is a small amount of money for this company to pay to cover their incorporation. They really could do much better than this if they wanted to, but that is all we require and that is what they will provide to obtain their incorporation.

I am sure that we in Canada could put up the money if this company put its stock on the market, and they have done so as a U.S. owned company. Today there are 300 shareholders in Canada as compared to 75,000 in the United States. It is interesting to note that the company officials indicated when they set up this subsidiary company in Canada that no stock will be available for Canadians, and that the shares will be held totally by the holding company, which is the parent company. Though Canadians are allowed to buy into the holding company, they cannot buy into the insurance company which we are being asked to incorporate.

I suggest that what I have said is supported by a number of members of the house. We have had requests from several insurance companies recently to establish companies in Canada. I was very pleased to talk to one of the presidents of one of these insurance companies who indicated that for a long time he has been a dummy director of a U.S. subsidiary but that he, as an intelligent Canadian with a considerable amount of money, had no desire to be a dummy director of a U.S. corporation. He wanted to set up a company in Canada where he thought that company would make a lot more money.

An hon. Member: He is a capitalist.

Mr. Peters: Certainly he is a capitalist. Obviously he did not become socialist as a dummy director of an American subsidiary company. However, he as a Canadian believed that he could do better for himself and for his company on the Canadian scene. He was not opposed to the implementation of regulations which would give him control of that company in time. It has amused me to note that everyone who has voted for the incorporation of these companies and who has spoken in favour of them, when we finally made a breakthrough in one of these companies, has spoken against them. I am sure hon. members are aware of the time about a year ago when a company was set up with a Canadian identity and was supported by everyone here. No one opposed it.

I do not see why we should be concerned if this company does not get its charter under the terms requested by it. If it wishes to operate in Canada, as it has been doing for a number of years, then I am prepared to let it do so. I am not suggesting that the Aetna Insurance Company is a particularly good or a particularly bad company. I am just saying that it should not be given the rights and advantages of a Canadian citizen in the corporate world, without any of the responsibilities.

We give Mr. Humphrys, the superintendent of insurance, a great deal of responsibility to carry out on our behalf. I am surprised to note how many of the Senators, who have a great interest in insurance companies because they are on the board of directors of many of them, look to Mr. Humphrys for advice on whether or not to underwrite other companies. Mr. Humphrys is bound by the regulations we make or by the lack of them.

• (6:50 p.m.)

One of the things that really surprised me not long ago when dealing with an insurance company was that the company had agreed that within ten years they would have 51 per cent of the ownership of the company in the hands of Canadians. As a matter of fact, if they did not, they would be out of business. When they went to Mr. Humphrys they found that because of a regulation passed by this house, for reasons of which I am not aware, it was impossible for us to write a clause into this bill providing for 51 per cent control in the hands of Canadians. If the company were to get 51 per cent of their stock in the hands of Canadians, it would only be able to vote 10 per cent of its stock. I do not know how the officials arrive at this decision. There are only one or two people here today, and I suppose one would be the Minister of Agriculture (Mr. Olson), who would know about this. The provision has some relationship to negotiations with the Mercantile Bank at the time the banking legislation was being considered. I do not know why 51 per cent of the shares in the hands of Canadians would leave the company in the position of being able to vote only 10 per cent of the stock. Mr. Humphrys advised that only 49 per cent of the controlling shares can be divested from the parent company, or the company will technically lose control and only be able to vote 10 per cent of the stock.

The company was not prepared to do that, and I don't blame them. I really do not understand why this type of restriction is involved in this matter. As I say, I did not have the opportunity of being a member of the banking and commerce committee, so I am unfamiliar with the reasoning behind this legislation. I suggest that some members of our banking and commerce committee or some members who are here tonight who are interested in this matter should give some consideration to the reason for this regulation. It certainly surprised the corporation lawyer from the United States who looked into the matter. He could not understand why we would do this, and he was familiar with the regulations in many other countries. He pointed out to us that countries like Japan insisted on de facto ownership in the hands of nationals. This provision probably goes much further than the one we are suggesting.

Another thing which I do not understand is that Canadian Bell has divested all its stock, except perhaps 2 per cent, but is still controlled by the 2 per cent. Part of the reason lies in the system of distribution of stock, and the fact the 2 per cent is able to pick up a very large proxy vote. If only one person turns up at a scheduled meeting of stockholders, I suppose he is the majority and makes the decisions. In my opinion, the situation is very confused and should be clarified.

This company has been coming before us for a number of years, and may come before us for a number of years beyond this date. The company has been in Canada for a period of years, knows the Canadian scene and should be prepared to inform the House of Commons whether or not they would consider setting up a Canadian company in which, over a period of time, the parent company would divest itself of majority control, thus turning over ownership of the company to Canadians. If they are not willing to do this, I suggest they are whistling in the dark. It may be that the proposed rule 16-A will protrude into this sanctimonious hour and may have a detrimental effect on the hour. It is difficult to predict the future.

It seems to me the company is aware of our position. I have known the sponsor of this bill for some time, and I am sure he knows our position. I do not believe I am being unfair when I say he would be more comfortable in sponsoring this bill if a clause were written into it to provide for an effective Canadian ownership of the company. If the company wants to do business in Canada and operate out of Hartford, Connecticut, they have a right to do so. I know I was covered by this insurance company for nearly 15 years, and I

did not find them an unusual company. I am now aware of the fact it is not a Canadian company, and perhaps I could have done better if I had been more selective.

If the company is going to operate in Canada and seek Canadian incorporation, then they should make an effort to ascertain from the committee at an early opportunity what steps they must take to be incorporated as a federal company. When they provide us with some guarantee that in a period of time, when they feel the company has become a viable economic unit—

The Acting Speaker (Mr. Richard): Order, please. I regret to advise the hon. member his time has expired.

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Richard): Order. A message has been received from the Senate informing this house that the Senate have passed Bill No. S-19, an act to amend the Navigable Waters Protection Act, and Bill No. S-22, an act respecting Gillespie Mortgage Corporation, to which concurrence of this house is desired.

[*English*]

It being seven o'clock, the time reserved for the consideration of private members business has expired.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

PROCEDURE

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, be concurred in, and the amendment thereto of Mr. Stanfield (p. 3762).

Mr. Brown: Mr. Speaker, when we rose at six o'clock I was saying how happy and pleased we all were with the speech of the Minister of Manpower and Immigration (Mr. MacEachen) and to learn that a new offer had been made to settle the dispute before us. As I understood it, if this proposed rule 16-A were temporarily set aside and the other proposed rules were adopted, then the government would take a new look at the rule with a view to settling the dispute, if possible to the satisfaction of all. I am sure that we are all very grateful that another effort will be made to settle the differences that have arisen in the house over the proposed new rules of procedure.

We were also pleased to learn that the government is keeping to the best possible traditions of the House of Commons of Canada in amending the proposed new rules of procedure in a way that should satisfy the great majority of the members of the house.

Having congratulated the Minister of Manpower and Immigration I should like also to congratulate the hon. member for Charlevoix (Mr. Asselin) for his excellent contribution to the debate this afternoon. However one thing he said was that all the newspapers were against the government and in support of the opposition in this dispute. I should like to remind both him and the house that the Brantford *Expositor*, which has been printed for the past 100 years in Brantford, Ontario, which is in my country supports the government in this debate. However, I am sure agreement will be reached.

I wish also to thank the Prime Minister (Mr. Trudeau) for his gracious and moderate speech in this debate. It was filled with gentle proddings to us all to endeavour to limit our speeches on issues before the house and to promote the business of the house more effectively than in times gone by. I believe the present government is trying to be a good successor to great Canadian governments of the past, as well as to make us the heirs of this great British tradition of parliamentary government that has existed for many generations and which has been furthered by men like Gladstone and others of historical importance, and perfected in recent times.

Mr. Bigg: And George Brown.

Mr. Brown: And George Brown of this country. I am happy that he bears my name, and also that he had a summer residence in the city of Brantford, Ontario. During the week he went to Toronto to publish the Toronto "Globe" and every week end retired to the city of Brantford.

Calm, shortened deliberations tailored to fit the time available for the sittings of this house in each and every year are both essential and demanding. We cannot fail to meet the challenge. Any attempt to put off the

decision on a more efficient use of parliamentary time than has been the case in the past will not make us true to Canada, the land we all love so much. I am proud of our traditions, but I know—and I think we all know—that they should be improved, and improved greatly, in order to effect the proper dispatch of business before the House of Commons, and to make it more readily possible for parliament to meet the issues of the day and the challenges of our times. Failure to have a timetable for debate, and to tailor our debating time will set us all on a hopeless path, allowing for inadequate and second rate leadership for the Canadian people and for this country in the modern competitive world of today.

There are many in this house who fear that the government will misuse its power if this report is adopted. However, I want to say with great sincerity that in a democratic country there is just as much fear that an opposition composed of several parties will misuse its power as there is that the government will be guilty of a similar misuse. One way the government can misuse its power is by abdicating its responsibility to use the power that it has in order to carry out its legislative program in the interests of the Canadian people.

• (8:10 p.m.)

Speaking as one who has been a member of this house for a number of years I want us all to be able to say to the electorate, as William Ewart Gladstone did at the time of the second great reform bill of 1866, "You cannot fight against the future. Time is on our side."

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I listened with interest to the words of the hon. member for Brant, one of the more serious and sincere members of this house, and in many ways I agree with the sentiments he expressed in his eulogistic closing remarks. When he says that time is on the side of the future may I point out that this institution has been here longer than any of us have been alive, and it will continue in some form long after we have departed.

This debate is not being continued for the sake of stirring up the polls. We are not trying to stir up the public merely because it is Christmastime, and because we think it ought to be interested in the procedural debate. Frankly I do not think that Canadians are terribly interested in this debate because I do not think they appreciate fully the significance of the main points being debated.

[Mr. Brown.]

This afternoon the Minister of Manpower and Immigration (Mr. MacEachen) entered the debate, and his contribution certainly was entertaining and energetically delivered, even if his remarks had partisan political overtones. But I was surprised to see him buy the package so soon. After all, the wrapping is not off it. This afternoon we heard from the government side a qualified proposal with regard to the point we are debating. As one who always believed in what is commonly referred to as participatory politics, I wondered what the proposal meant. I know that the house leaders discussed certain matters, such as the Christmas recess, and that we are to come back on January 14. Other than that, before the Minister of Manpower and Immigration had made his remarks this afternoon, I was under the impression that there had been no consultation, without prejudice, about any proposal.

I only hope my hon. friend from Brant does not have too many children. I have a few and I can tell him that my children like to look under the tinsel of the wrapping to see what gifts there are under the tree. They get excited and they like to remove the tinsel. It is true that television has great persuasive powers, and that advertising can sway the opinion of many. However, that does not detract from my suggestion that much of what we have seen represents tinsel, and we do not really know what the underlying package is. In many ways the government is treating us like children waiting for Santa Claus, only they will not take off the tinsel from the gifts under the tree. We want to see what is under the tinsel, what is in the package. No doubt the hon. member for Brant was speaking with the approval of the cabinet. He made many fine statements; all the same we don't know what sort of present the government has for us since all we have seen, basically, is tinsel. That is the problem.

Although the Minister of Manpower and Immigration was most entertaining, it seemed to me that his participation was somewhat artificial. Without doubt the government received a mandate on June 25 to govern this country. It has the right to govern, even though the opposition parties may not like it. The government has its responsibilities to fulfil, and it ought to know, as it no doubt does, that tonight it has the power to cut off any debate in this house, after giving 24 hours notice that it wishes to impose the guillotine.

There was no need for the Minister of Agriculture (Mr. Olson) to lecture the house

about the right of the government to govern; we accept that. Parties on both sides of the house have used the guillotine procedure. Governments of other, historical periods have used it. The question here is not whether the guillotine ought to be used, but the circumstances under which it may be used: That is the issue. There is no question here of the majority in the house being pitted against the minority. The basic question here is whether parliament shall be an effective instrument of the people, or merely efficient. I suggest respectfully that the Minister of Agriculture and the Minister of Manpower and Immigration in this debate have committed a form of parliamentary perjury in trying to build a man of straw. We know that on this side of the house we are in a minority, although I hasten to add that the opposition side obtained the votes of 54 per cent of the Canadian people.

I deplore the technique of the big lie and I suggest, seriously, that if politics is in disrepute tonight it is because men who ought to know better have perverted their principles for the sake of power. That is what I mean when I speak of parliamentary perjury.

I notice that an hon. member of the rump seems agitated. I suggest that if he wishes to participate in this debate, he should do so or he will discover that the government house leader has allocated his time. Unless an hon. member sits on the treasury benches he will have hardly any opportunity to speak.

Just consider that, Mr. Speaker. This debate began on Tuesday, December 10, and has continued for six days. Since the contribution of the hon. member for Burnaby-Seymour (Mr. Perrault), ten members from the government side have spoken. I think about 12 altogether have spoken from the government side, and I think I am the thirteenth speaker to talk on behalf of Her Majesty's Loyal Opposition. Some hon. member says that is too many, but this is an issue which affects the fundamental framework of this chamber and a mere 12 members out of the 150, odd, opposite have participated. I think that some other intelligent members on that side would like to contribute to the debate. I would suggest that unless some of them come forward in the next day or two and speak, then there has already been an allocation of time in this debate so far as the government is concerned.

• (8:20 p.m.)

Being a backbencher, I think backbenchers should have a real interest in what this debate is all about. Yet only 12 members from the government side have spoken on this fundamental issue which affects parliament not only for today but for the future. What is it going to be like for a backbencher when an issue arises that involves his constituency? What is it going to be like when we get the massive, omnibus Criminal Code bill? As yet the government house leader has not answered the question I asked him several nights ago. I asked, on his figuring of 80 days left in this session, how many days he was prepared to allot in advance for the debate on the Criminal Code bill.

This debate is not over the right of the government to govern and bring in closure when it feels there is obstruction. The whole purpose of this debate has not been as suggested by the Prime Minister (Mr. Trudeau) in his opening remarks, that there is a time for debate and a time for decision. Of course there is a time for debate and a time for decision, but there is no time in our parliamentary procedures for dictation before debate.

Some hon. Members: Hear, hear.

Mr. Nowlan: That, Mr. Speaker, is the issue in this house.

This was an interesting afternoon, when the Minister of Manpower and Immigration spoke. We have not heard much from him lately, and he is one of the strong men on the government side.

An hon. Member: Was.

Mr. Nowlan: Anyway we have not heard much from him lately. We were not sure if he had slipped or eroded, but his parliamentary contributions are always interesting in this chamber. I was surprised and amazed at his logic this afternoon and the rationale he used to support 16-A.

The paradox, the irony is that this government, which has been so instrumental in trying to cut off every traditional concept that we have had in this country for 100 odd years, is now trying to rationalize its position by relying holus-bolus on the British system. Britain is a country of one homogeneous people with a uniform form of government, where you can get in a train, choo choo for two hours and cover the whole country.

An hon. Member: Shame.

Mr. Nowlan: Someone says shame. He does not know what he is talking about. This country is so different from that. For the benefit of those who are afraid of republicanism in

this country and there are some who like our present monarchial form and who are against the republican system of government—I must say that tonight, after listening to the Minister of Manpower and Immigration, the Queen of Canada can rest easy in her bed. She is certainly not going to be kicked out by any of the members on the treasury benches who rely so fundamentally on the British system to defend 16-A. Surely they are not going to kick that poor lady out of bed and reject her whole constitutional framework.

In like vein, so far as the Senate is concerned, it is secure forever and a day, because there is the House of Lords across the way, and they are pretty fundamental to the British form of government. I believe in a Canadian form of government and in a Canada taking the best from all worlds.

I suppose, Mr. Speaker, the next thing we are going to have is the Minister of Justice (Mr. Turner) in an amendment to the omnibus Criminal Code bill, standing up and saying that because they wear wigs in the courts in England we had better wear wigs in the courts in Canada.

After all the minister's rhetoric this afternoon, after an exhaustive research job done with all the staff at his disposal, he came up with three or four cases in the British system where an allocation of time had existed. He did not point out one case where there had been an allocation of time, other than on the committee and third stage of a bill, and the very example he used was after a bill had been in committee for ten days. Forgetting about the judicial principle that you cannot quote a case unless it is on all fours with the case at bar, the case the minister used was completely irrelevant to the issue in this debate. I have a photostatic transcript of the portion of the debate to which he referred, a portion he did not quote, and in it Aneurin Bevan, the hon. member for Ebbw Vale, made some pungent comments on the allocation of time motion.

The minister tried to justify 16-A by showing that four or five times there had been an allocation of time in the British system. This cannot be contradicted. If it can, I hope it will be corrected. Three or four times an allocation of time motion was used.

Mr. Whicher: Did it pass?

Mr. Nowlan: It passed by 297 votes to 243; it was pretty close. It has never been used other than on the committee stage, or later, and has never been used on more than one bill other than once, other than the example given by the Minister of Manpower and Immigration, when it was used on two bills that were related and had come through the whole process back to back. That is no precedent to cite in this chamber as justification for 16-A. That is why the Leader of the Opposition (Mr. Stanfield) and other members on this side can stand up and say that, so far as 16-A is concerned, it is completely unheard of in practical form and effect in any democratic parliament anywhere in the world.

It is an interesting commentary on this whole debate that, after all the dust of battle had settled, after the Minister of Manpower and Immigration had castigated some of the members in the opposition and supported the British system so completely, what does he come up with? He comes up with a proposal. I sincerely suggest that this should have been discussed beforehand with the house leaders, as are most proposals, but for the first time he advanced it on the floor of this chamber.

When a man from the treasury benches can stand up in this place, after six days of debate, and advance a proposal of change from a rigid, firm, inflexible position, that is the justification for our being against 16-A. That proposal did not come after a time limit had been imposed by hon. members opposite. It came after the free flow of debate, after some of the public got interested, after some of the papers became interested, and after a lot of hon. members became interested. I venture to say that when this debate started a majority of the government members did not understand the effect and implications of 16-A. By making that proposal this afternoon the minister justified this forum. The reason for this forum is to have suggestions and counter suggestions, proposals and counter proposals made on the floor of the house, open to the scrutiny of the public, so that a consensus can build.

We on this side want a consensus after debate. We don't want a computer before the debate even begins.

So far as I am concerned, Mr. Speaker, it is 16-A which sticks in the throat of any parliamentarian. It must stick in the throat of any parliamentarian, if he is worth his salt, because no parliamentarian in the world has accepted it.

• (8:30 p.m.)

An hon. Member: In Britain.

Mr. Nowlan: So far as I am concerned, that is an unfortunate comment. The member from Kenora-Rainy River (Mr. Reid)—or whoever it is—missed some of the speeches, because it has never been used in the parliament of Britain other than in committee or in later stages. The very example the Minister of Manpower and Immigration (Mr. MacEachen) put to us this afternoon came ten days after committee. It is an unfortunate thing as we come close to the charitable season of good will on earth and peace to all men that we have this package of reform that will revolutionize the procedures of this house, because this will not resolve our problems. If we take the British system and look at all the procedure points, so called, which they have, we should ask whether they have more or less problems today; is their parliamentary status and the status of the parliamentarians there any higher than it is in this country. I venture to say it is not.

I could philosophize. They are supposed to have a very modern efficient system. I suggest the state of parliament, in Britain, let alone the state of the member of parliament, is no higher than some people think it is here, because they have problems which will not be resolved by some of the procedures here. This is a form of parliamentary perjury which puts many things under suspicion, when better men know better what they are talking about.

This is a package of reform which some people feel may deform parliament. We might not agree with it, but it is there; it is a package of reform. I do not know whether the government has been playing a game of Russian roulette in trying to advance to the extreme, so that they can retreat to a more constructive position. I do not know this, because we just heard the first retreat this afternoon.

We on this side of the house are as completely dedicated to reform as is any member of the opposition. But we are not for reaction. I suggest in all seriousness that 16A, coming from a Liberal government that calls itself liberal, is the most reactionary proposal advanced by any party in any country anywhere. It is pure reaction. We are for rules, but we are not for rulers. I am afraid, and my colleagues share my belief, that whether he likes it or not, 16A makes a ruler of the government house leader. It makes him a czar of the Commons.

Some hon. Members: Hear, hear.

Mr. Nowlan: Members opposite clap about a czar of the Commons. They are not very good students of history, because one of the most reactionary forms of government ever known kicked out their czar in 1917. I say that 16-A has a potential for abuse. I do not say that the government house leader will intentionally abuse it, but who does he think he is?

An hon. Member: Hitler.

Mr. Nowlan: Has he ever been on a plane that went from Signal Hill in Newfoundland to Esquimalt; has he ever boarded a plane, travelled from coast to coast in a day and seen all the regions of the country; or has any government leader seen this country, the regions and its people? It is preposterous to think that any one man, before the debate on a bill even begins, should be authorized to stand in his place and say that the debate will be limited to two days or five days.

Rule 16-A is unnecessary with a majority government. The problems we have in this parliament could not all have arisen since June 25. There is a backlog of business because there have been elections and because we have had minority parliaments. In addition there have been many promises which have not been kept. But does any member of this house who has read the rule expect that 16-A will help a minority government? Is any government house leader going to stand in his place and tell us that in the twenty seventh parliament he would have moved an order restricting debate before it began? If so, I suggest that by doing so he would have committed parliamentary suicide for himself or his party.

As I say, Mr. Speaker, it is unnecessary with a majority government. It does not help a minority government. It is unnecessary with a majority government because with the closure procedure they can cut off any debate in 24 hours. I suggest that this rule is unjust and makes a mockery of the just society. What is the whole reason for the much proclaimed Bill of Rights? It is to protect the rights of minorities against majorities that sometimes might be off the beat.

I do not question the sincerity of the Prime Minister in his life-long interest in a bill of rights. But I do wish he would stop preaching the platitudes of the Bill of Rights, and at the same time practise the type of parliamentary reform we have here tonight.

With all respect to the Minister of Manpower and Immigration I suggest, as I said earlier, that in practice 16-A is completely

unheard of in any parliamentary form of government in the British system. The unfortunate thing about this is that hon. members opposite do not seem to understand the scar tissue that is left by a debate which affects the rules of the house. There cannot be a debate, be it a pipe line debate, a defence production debate or any debate in which the combined opposition says no, without wounds being opened up.

Here we are in the 28th parliament with a government, which has a popular mandate, coming in at the first session and asking parliament for a rule which does not have the necessary experience behind it. I have only to look across at the Minister of Agriculture (Mr. Olson) and think back to a most interesting speech he gave in the House of Commons as recorded at page 1544 of *Hansard* in the year 1965. I know the minister remembers his speech better than I, because he gave it. I listened to the minister when he gave his speech in this debate on 16-A and the interesting thing is that he failed to point out what he said in respect of 15-A. Rule 15-A which has been in the rule books up until now, is not anywhere near as disastrous or as all-embracing as 16-A. What did he say about that? This is what he said as recorded at page 1544 of *Hansard* of that year:

> I am also greatly disturbed by paragraph 5 of the proposed standing order 15-A which provides as follows—

He then reads 15-A and gives very cogent reasons why we should be on guard about 15-A. Now he has changed his place, but I do not honestly believe his knowledge or policy has changed just because he changed his seat. I would hate to believe that. But perhaps he too is committed to parliamentary perjury; I do not know. The interesting thing is that after he reviews the fears and apprehensions he has about 15-A he ends up with this interesting paragraph as recorded at page 1548, wherein he says among other things that we have to change our rules. We all agree with that; but he adds this:

> I suggest the Government should reconsider some of these proposals so that they may be made clear.

This is in respect of 15-A which is nowhere near as extreme as 16-A.

> It should make some of the refinements that are necessary so that a ruthless government could not run roughshod over parliament, and generally make sure that all these changes are subject to review in the light of the experience that we gain after having made use of them for a few months.

[Mr. Nowlan.]

• (8:40 p.m.)

Well, the former leader of the majority party, Mr. Pearson, never dared use 15-A and no experience has been gained. Yet in a new session, during which there has been no obstruction, no debate of undue length, the government is suggesting the use of 16-A. This rule is unnecessary, unjust and unfair. It will create scar tissue which will live with this parliament for a number of sessions. It will affect the good will and respect which hon. members have toward each other, and it will muddy the waters of the mutual confidence which is necessary for the passage of legislation.

The Prime Minister (Mr. Trudeau) said that if we oppose the new rules, and in particular 16-A, we shall be going against the mood of the nation. Well, the Prime Minister may talk about the mood of the nation, but I suggest he is wrong in his estimation of the mood of this house and of its members.

Some hon. Members: Hear, hear.

An hon. Member: Not the majority.

Mr. Nowlan: The members of this house are in favour of reform, but they are not in favour of regimentation. This proposal will result only in more speed. We have all seen the speed with which events are dealt with by the television cameras just outside. I personally think they should be placed inside the chamber so that our debates are not redundant. It is getting so bad that those who sit on the treasury benches are wearing blue shirts, so that every time they make a statement they can look good outside. Television in this chamber would make debates relevant, not redundant, as so many of them are today. There is a difference between stability in legislation and sterility of legislation; there is a difference between making effective use of the talents of new members and this new rule in the name of so-called efficiency.

There is one expert who has not yet been quoted, a former member of this house who has had a great deal of experience with the rules. I refer to a lady called Pauline Jewett who wrote much on the subject of our rules, and I would refer now to a statement she made about the reform of parliament in the Journal of Canadian Studies for November, 1966. This makes the quotations used by the hon. member for Burnaby-Seymour (Mr. Perrault) seem somewhat archiac, no matter how interesting the statements by my right hon. friend from Prince Albert (Mr. Diefenbaker).

She admits that since the 27th parliament there has been a fundamental change. The limitation of time spent on estimates, the shortening of the question period, the abolition of the dinner period, the abolition from appeals from rulings by Mr. Speaker, the provision of one hour's notice to be given on certain questions of privilege, have all led to the more effective conduct of business. So, contrary to all one reads, the situation has changed a great deal in the last three or four years. We tend to forget this. Miss Jewett writes to the effect that there have been substantial changes in procedure, but that the government has failed to improve opportunities for new members to prepare for debates and take part in them. She says, on page 13:

> At any rate, so rapidly was legislation processed in the first session of the 27th parliament that the cabinet was occasionally hard-pressed to keep the flow of bills, particularly of major bills like medicare, going forward. The most urgently needed reform now may well be the reorganization of departmental and cabinet machinery to secure greater efficiency in the preparation of government bills.

She goes on to suggest there should be someone in the Prime Minister's office whose job it would be to make sure that a regular flow of bills was being maintained. These are the view of a writer who is no friend of this side of the house but who is an acknowledged political scientist of considerable experience.

Looking across this chamber, I see the Minister of Manpower and Immigration. I have listened to the protests he has made so often about the right of collective bargaining. We have all heard him say that you cannot interfere with that process. Does he suggest that 16-A gives an opportunity for collective bargaining? Does he believe it gives adequate time for debate? Behind him on the benches opposite I see many hon. members who have been mayors of cities, chairmen of school boards, and so on. Do they believe that the introduction of 16-A to the proceedings of a city or town council, or of a school board, would improve the deliberations of such a council or board? I do not doubt that a good many mayors, a good many chairmen of school boards, might like to have such a rule, but before they agree to it I would be surprised if the members of the council or board did not slice their throats.

If the hon. member for Trois Rivières (Mr. Mongrain) wishes to make a speech, he can do so at any time.

During the election campaign hon. gentlemen opposite made a special pitch for the involvement of youth in our affairs. They are reading every day how youths are swarming over college campuses, breaking in on meetings of university senates, and otherwise registering protest. Is there any one of the younger members opposite who flocked to the banners of the flower people on June 25, who would take a seat in a university senate or on a board of governors and acquiesce when the president of the university or the chairman of the board of governors came in with an agenda which allowed for 20 minutes discussion of one subject, three minutes discussion of another and ten minutes discussion of a third? If they were to do so, I suggest the present disturbances would end in complete unrest.

I can suggest a place where the Prime Minister might take this rule 16-A. The President of the Privy Council (Mr. Macdonald) might show him how to use it. I am thinking of the federal-provincial conference. The premiers attend; there is a debate. But sometimes it is hard to find out what they have decided. If the new model of democracy is to be debate and then decision, let us have debate under rule 16-A at the next federal-provincial conference, and see how it will react on harmonious federal-provincial relations.

If this rule is not good enough for the federal-provincial conference, why is it good enough for the parliament of Canada? We have listened to a quotation from a speech by Lord Morrison of Lambeth. The hon. member quoted only one section of it. He failed to quote the passage which appears at page 224 and which I should now like to put on record:

> Personally, I thoroughly dislike the guillotine. It is justified in conditions of real obstruction and national emergency. But unless there is genuine co-operation and fairness in its application, the guillotine can make a mockery of the legislative process.

• (8:50 p.m.)

That is what Lord Morrison of Lambeth said about the guillotine. But more important than that, Mr. Speaker, I would like to quote for members of the opposition something that is called "An Appeal for Realism in Politics" written by the committee for political realism. This was a seven-man committee. Two of the authors of this paper were a man called Pierre-Elliott Trudeau and a man called Marc Lalonde. This is a report written for the "Canadian Forum" in the May issue of 1964. It was also reprinted in "Cité Libre". It is called the Canadian Manifesto and is most interesting. I quote these words on page 32 of

the "Canadian Forum"—as I say, these are not my words but this is the new politics—of only four years ago, and I wonder whether the Prime Minister and Mr. Lalonde will practise what they then preached:

> The opposition parties must accept their share of the responsibility for keeping the public so little and so badly informed.

I agree with that. Then we find these words:

> The opposition is supposed to force the government to define their policies and to furnish the public with all relevant information. The opposition is supposed to proclaim the true problems of the people—

This is the important thing and the whole purpose of this debate.

> —for it is the conscience of the government.

That is, the opposition is the conscience of the government. Let me read these words:

> Whole sections of society could be completely ignored if the opposition prostitutes its function for the sake of short term political advantage.
>
> At the same time, however, the present state of our parliamentary mechanism is such that the opposition, even when it is vigilant, is virtually helpless in the face of the resources available to the government. The system must be reformed to give the opposition at state expense the tools which are necessary for it to fulfil its important and true role.

I agree with that. I am coming to the conclusion, Mr. Speaker. The opposition, not the cabinet, is the conscience of the government. Can you put a cowl on a conscience? Can you put a time clock on a conscience? Can you put it through a computer? I suggest that is what hon. gentlemen opposite are suggesting.

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 give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, I am coming to the conclusion of my remarks. I wanted to read further from the Canadian Manifesto because it follows on about the question of conscience. At page 33—and we are talking about a democracy—it says:

> Democratic rule must be maintained at all costs. It is a matter which we will not compromise.

Some hon. Members: Oh, oh.

[Mr. Nowlan.]

Mr. Nowlan: I will wait until hon. members opposite stop, Mr. Speaker. The whole purpose of this debate is to try to point out that there is some right of a minority, within reason. The Prime Minister, I hope, would like to be reminded of what he wrote in 1964. He said this:

> It is a matter which we will not compromise.

He is speaking about democratic rule. This passage continues:

> The truly democratic traditions have few roots in Canada, where Indians, Metis, orientals, Doukhobors, Hutterites and dissidents of all kinds have been victimized one after the other by the intolerance of the majority. Quebec itself is just emerging from past regimentation and authoritarianism. We will fight any action that tends to erode fundamental liberties and democratic institutions.
>
> It is subject to these conditions that we wish to work for the good of the community.

I ask whether the Prime Minister wishes to reconsider what he wrote in 1964. He said that the opposition is the conscience of the government, that you cannot shrug it off, you cannot put a time clock on it and you cannot put it through a computer. In a democratic institution we must have the right of debate and the right to dissent. This makes us free, and in this forum it is the right to debate which defines the democratic institution about which Mr. Trudeau talked.

I suggest that we on this side of the house have to consider what the Minister of Manpower and Immigration (Mr. MacEachen) said. We have to take the tinsel off; but we are not prepared to agree to give effect to rule 16-A as it presently sits in the committee report. I ask this government not to prostrate its good will of the majority of public opinion, that I think is still riding with it, for a power that the majority does not need and must not have.

Mr. Reid: Mr. Speaker, I should like to know whether the hon. member for Annapolis Valley would accept a question?

Mr. Nowlan: Surely.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member will need the unanimous consent of the house, because the time of the hon. member for Annapolis Valley has expired.

Mr. Reid: Mr. Speaker, I have just a brief question going back to the earlier confrontation we had in this debate. The hon. member referred to the statement made earlier by the Minister of Manpower and Immigration (Mr.

MacEachen) about the British system of closure and guillotine. Would he be willing to accept here in Canada the same system that is in existence in the mother of parliaments?

Mr. Nowlan: Mr. Speaker, I am a member of a party that does not take all the tablets from the mount. We have to discuss these matters. We are going to have a caucus tomorrow to decide what our position will be. The proposals of the Minister of Manpower and Immigration may have put us on the horns of a dilemma. This is the whole purpose of debate. What would hon. members opposite gain by this proposal, if they had the guillotine? That is all I have to say, Mr. Speaker.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I am pleased to see the Minister of Manpower and Immigration (Mr. MacEachen) back in the house. I was a little surprised to hear him say that the opposition—I think he was looking at the Conservatives but he probably included us as well—had little intellectual support or foundation for their arguments against proposed rule 16-A. The minister then proceeded to speak for at least 40 minutes, and it was probably closer to an hour, expounding what I regard as a rather illogical and anti-intellectual justification of his own position.

If I understood his arguments correctly, he was saying, "Look what has happened in the British Isles. Ergo: It should happen here." It seems to me that the most elementary class that one could take in the field of logic would teach you that this is a rather fallacious argument. If the principle under discussion is the practice of democracy, and you point to another parliamentary tradition and suggest that there has been a movement toward the centralization of authority and power in the system, it seems to me that you are not in a valid position to conclude from that that we should go on in the same way. One must argue, on independent grounds, for an authoritarian structure within a democratic society, if that is what you believe in—which of course, I do not. So I was not in the least bit persuaded by the arguments put forward by the Minister of Manpower and Immigration. It takes much more to be convinced of the desirability of a system than to have it demonstrated that this is done elsewhere and to be told "It is there, fellows; you must follow suit". If you want to have that kind of structure, it has to be argued for on quite independent grounds, and this I suggest the minister did not do.

• (9:00 p.m.)

I should like now to pursue what I think is the central issue in this debate, and that is the problem of democratic decision making. It seems to me it is very useful to look at a purported democratic society in terms of two categories. Its governmental institutions and its private or non-governmental institutions should be assessed in terms of the degree of democracy by providing answers to the three following questions: First, does the majority have decision-making power directly, or indirectly by controlling those who do; second, are decisions reached on the basis of a method involving ample and open discussion about differing proposals or conflicting goals; third, are minorities allowed to exist on a continuing basis which will enable them to have the potential of converting their minority position into a majority one?

I suggest that a society and its institutions can be assessed to be more or less democratic according to how well they meet these three criteria. Therefore, in our debate on the desirability of the proposed new rules for this house we should keep this in mind. It is worth noting at this time that efficiency is not an essential characteristic of a democratic society. Such societies or institutions may or may not be efficient. Whatever the case may be, the degree of efficiency does not affect our judgment concerning the degree of democracy characterizing an organization, institution or society. It has been argued sometimes that democratic institutions are likely to be more efficient. The contrary, of course, has also been argued, and perhaps even more frequently. My point is that efficiency, although at times worthy of being desired and pursued, has no essential or even important connection with the practice of democracy.

Efficiency, or rather a person's commitment to it, can, however, affect a democratic institution. Generally speaking, the more deeply a person or institution becomes committed to efficient action, the less likely will that person or institution be committed to democracy, more particularly to the means of democratic decision making. Expressed in another way, the man or institution more deeply committed to efficiency is also likely to be more prone to favour the concentration of power. If that man or institution also regards himself as being democratic, he is likely to confuse democracy with efficiency and is likely to be unaware that it is power, not democracy, that he is pursuing. If he abandons democratic

practices, he is also likely to do so in the name of democracy.

I suggest that this is what the minister was indulging in this afternoon. I suggest that it is this confusion which lies behind what is involved in this debate. The government, particularly the house leader and the Prime Minister, have a faulty notion of democracy and a veritable lust for efficiency; and related to both—in what causal sequence I do not know—is the strong desire for concentrated power in this government.

The essential purpose of the rules of the House of Commons is to maximize in a delicate balance the claims of democracy and the requirements of efficiency. The legitimate desire of the government is to rule effectively, and we must have procedures by which they will meet with considerable success. Ruling effectively, however, ceases to be legitimate when the opposition loses its effective right to oppose.

Already much has been said in this debate about the fact that the vast majority of the proposed changes in the rules are accepted, and indeed were proposed, by members on both sides of the house. Although a number of these changes will aid the opposition in its important task as critic of the government, I think it is true to say, and this bears emphasizing, that the effect of the majority of acceptable changes will be to enable the government to operate more efficiently.

In supporting these measures, therefore, the opposition has revealed in unmistakable terms its commitment to the progressive reform of the rules of the House of Commons. We in the New Democratic party believe that the important test of a government, apart from the question of democratic procedures in decision making, is how well it meets the needs and requirements of the Canadian people, what it is doing about housing, about a just system of taxation, about income redistribution, about regional economical disparities and the redistribution of power, about unemployment and about aid to developing nations. These are the very important questions that any government must be concerned about; and if for no other reason than to relieve the government of excuses, we would certainly like to see this debate come to an end so that they could get on and deal with these very serious matters.

What we have opposed is what the Leader of the Opposition and others have appropriately described as closure in advance. It seems to me to be completely irrelevant whether or not closure in advance is to be found in other parliamentary systems. We have opposed and will continue to oppose, even if it is brought back to the committee, any form of standing order 16-A. By giving the government house leader the unilateral authority to set time limits in advance on the duration of debate on matters to be brought before us, we would be abandoning a crucial part of our democratic heritage. Again I repeat that I care not one whit whether other parliamentary systems have also abandoned it.

I suggested earlier that one of the tests of democratic decision making is that policies must be reached in the context of ample and open discussion. In recent years students of parliamentary government, from Bassett and Durbin to Jennings, Dawson and MacIntosh, have indicated that in modern parliaments the opportunity to criticize government proposals is of fundamental importance and that what is crucially important is to maintain the strength of the opposition.

There is little hope for the opposition to get the government to make changes of substance in its proposals, but there is the possibility, and this is the serious question I think, of presenting to the public via parliamentary debate alternative views about policies and about kinds of societies.

There are two very important effects of this process of debate. First, it forces the government to reveal its reasons for acting. In doing this it also makes it more likely that government laws will be defensible laws, and government rules defensible rules. In short, this process makes it more likely that a governed country will be governed well. The second important consequence of this democratic process of public debate is that it enables a party with minority support to build, over a period of months or years, that minority into a majority. Only by having the time to show its ability in discussion can the rational foundation for belief in an opposition party as a credible alternative be established. Only arbitrary or authoritarian governments should be interested in denying or inhibiting this process.

However, this is exactly what the government will be doing if it uses its majority to force the proposed standing order 16-A upon us. Even if it is referred back to the committee, if it is the understanding of the government that rule 16-A will be revived once again, we cannot accept it. for rule 16-A or any other alternative form of the same procedure would turn parliament into a merely

consultative body before which the government would appear at intervals to seek formal ratification of its decisions. I suggest in all seriousness it would not in principle be unlike the supreme soviet in the Soviet Union. Debate would be of the most perfunctory kind. There would be pseudo discussion in a semi-democratic institution. We cannot permit this to happen, whether or not it has happened elsewhere. The only serious opposition in society would remain with the press, television and other outside organs of opinion. I repeat this is a very real possibility. Many serious students of government have suggested this has already happened to western democracy. It has been argued that the opposition no longer provides the serious criticism of government, but that it is provided by the press and other outside organs.

• (9:10 p.m.)

On some matters the house leaders of all parties will be able to agree in advance that debate need not take long. But on many issues of public policy, the only rational way of deciding on the necessary time for discussion is in fact to let the debate proceed, to let the issue unfold itself, so to speak. Democrats from Pericles to John Stuart Mill have stressed the important fact that truth and significance can best be revealed in thorough and systematic discussion. Any issue may become a great issue during the process of debate. The voice of the people must be heard through their representatives on both sides of the house. The people, in turn, must be informed by means of the press, radio and television about what opponents of the government think is of significance.

On this point, Mr. Speaker, I am dismayed, for example, by the fact that no member of the Liberal party has risen to criticize the proposed standing order 16-A. Ever since the Labour party has been in power in Britain it has had one backbench revolt after another. When it formed the government the Conservative party in Great Britain had a number of backbench revolts on issues of concern to individual members. However, in this debate, not one Liberal member has stood up to criticize what his government is doing here. I find this very disturbing. Surely, it is not a unique ability of members of the opposition and the vast majority of newspaper writers in this country that enables them to see the dangers in 16-A. There must be a few Liberals around who also recognize these dangers. Perhaps the fact they do not voice their opinions further confirms the view that our government and cabinet system have already become so centralized in the office of the Prime Minister that the backbench members on the government side unconsciously think it would be highly inappropriate for them to seriously oppose their government's policy.

I suggest that there is no essential connection between efficiency and democracy, but there is a relationship between efficiency and the concentration of power. I suggest that the man who is strongly tied to efficiency is also the man who is prone to concentrate power. The concentration of power is antithetical to democracy.

The proposed standing order 16-A is merely the most recent act of a government and Prime Minister assiduously pursuing technocratic efficiency. They are at the same time concentrating power. No serious person could possibly conclude otherwise.

If one talks to the majority of the academics across this country, most of whom supported the Liberals in the last election, he will ascertain how they feel. I suggest the Liberal backbenchers should conduct a survey of political science teachers across this country to see what they think of the Prime Minister these days.

Earlier in this session, the Prime Minister announced the cabinet roster system. By relieving cabinet ministers from the responsibility of being in the house each day to answer questions, two anti-democratic effects result. The first is that members of parliament have fewer opportunities to direct questions to all those responsible for governing. Second, the power of the Prime Minister is increased. Only the Prime Minister is here each day. This means that only he has the opportunity of keeping informed about all the interests and areas of concern of members of parliament, that is to say the interests of the Canadian people. This means, of course, that having day to day contact with the issues, and being the only member of cabinet acquainted with them, his position in cabinet must be immeasurably increased. He must have more power of persuasion, more influence over his fellow cabinet members. The roster system, then, is certainly a system that increases the power of the Prime Minister.

After the announcement of the roster system we learned that a series of regional desks was being established. Regional desks, a democrat might assume, would be set up so that the elected people most directly connected with the citizens of the country would

occupy those regional desks or have representation on them. But no, instead of those having the most direct access to the people being associated with the regional desks, we have the Prime Minister and only the Prime Minister having this direct contact. Once again, I would suggest that the power of the Prime Minister is thereby increased immeasurably, and will be in the future. We shall see that the power of members of parliament, those who are in most immediate contact with the people, will be further downgraded. Once again I suggest in all seriousness, in terms of our parliamentary system of government, that democracy has suffered a set-back in this country. If we had regional desks established on a proper basis, then members of parliament would occupy those regional desks, rather than the agents or representatives of the Prime Minister.

If there is a common factor linking the unrest in the western world amongst workers and students I suggest that common link, whether we are talking about students and workers in Czechoslovakia, whether we are talking about students and workers in France or students in North America, is a profound democratic movement in the world. This is true, whether our naïve misguided government recognizes it or not. What is taking place is a very marked reaction to the concentration of power. This is true of the Czechs. It is true of young Frenchmen, it is true of young Canadians and young Americans in universities. I am sure this movement is going to affect us profoundly in the next two decades. It is something to which we should pay very close attention.

With the exception of the small elitist and non-liberal minority in its midst, it is something concerning which I think human beings in the mid-twentieth century should offer profound encouragement and profound praise. There is growing up a generation in all the industrial countries of the western world which has decided it is not going to accept irresponsible power, irresponsible authority, nor are its members even going to accept within a democratic society centres of highly concentrated power. They want it redistributed. This, I suggest, takes us back to the old, much more desirable form of democracy. I, for one, wish them every success.

It seems to me that it is within this particular social context of what is happening outside the House of Commons that we should be examining what is going on here. The pressures of the age are for a less rigid, more open, more democratic and decentralized society.

• (9:20 p.m.)

The pressures of the present government, however, are quite the opposite. Our Prime Minister (Mr. Trudeau) in the name of efficiency and democracy is concentrating power in his own office and in the cabinet, but more particularly in the former. His frequently commented upon discussions with young people do not, in my opinion, represent a shift to more democracy at all. These are pseudo-democratic symbols. At best they deceive some of the young into thinking that they have a direct influence upon the Prime Minister, though certainly none of the intelligent young to whom I have talked were taken in. However, a number are. At worst these discussions enable the Prime Minister, whether consciously or not, to manipulate both the young and the public at large. This is not what democracy is about; it is utterly ridiculous to think that it is.

To increase democracy is to decentralize decision making and to maximize free discussion, especially in institutions that have power.

If the Prime Minister wishes to reverse the authoritarian trend of his government, then he could make a good beginning by withdrawing, not only at the present time but even from future consideration, the proposed standing order 16-A. If he does not do so, then our party, and I am sure members of the other opposition parties, will continue with this profoundly important debate.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, as a new member and after hearing my colleagues take part in this interesting debate, I wish to make my modest contribution.

Mr. Speaker, may I be allowed, first of all, to situate the riding of Laval which was previously represented by the present member for Ahuntsic (Mr. Rochon) who now occupies the chair and to whom I would like to pay a special tribute as well as to all my electors.

My riding is located in the city of Laval which is also represented in the house by the Postmaster General and member for Duvernay (Mr. Kierans) and your humble servant, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Roy (Laval): I do not intend to approach this debate from a legal angle, because God knows that enough hon. members are concerned with that side of the question. I would rather make a few remarks based, I think, on common sense.

I listened to all members who spoke before me, and I must admit, Mr. Speaker, that their remarks were most appropriate. However, enough has been said on all the aspects of the problem and we should now reach a decision, because the opposition members are always repeating the same ideas.

Mr. Speaker, we must be realistic. I have high respect for all legislators who spoke before me in this house since confederation. They have surely safeguarded democracy and I do not think that the proposed amendments to parliamentary procedure would interfere with any aspect whatever of our democracy.

Democracy must be functional. To this diversity of form were added different ways of adapting the very concept of democracy to the political, economic and social evolution of the contemporary world.

We do not want to change basic principles. This democracy has established freedom in all its forms as the most complete expression of human rights, and we are aware of it.

Demagogy is a perversion of democracy and makes use of the most sordid interests and the most condemnable proceedings to lead a nation to ends which are contrary to its prosperity, its greatness and its honour.

We must adapt ourselves to the needs of our time and the exigencies imposed upon us by our world which is in constant evolution and very much influenced by a highly competitive economy.

We cannot continue to impose on the population an outdated procedure, an archaic system, which does not meet our aspirations any longer, that is, protect the interests of the people of Canada and assure the economic development of the country.

All business concerns, whatever their field of activity, have standards of productivity which are the result of efficiency. Can we allow 100-year old administrative services when we have to administer a budget of over $10 billion? Would present members of the house accept a system or a way of life which would be 50 years old?

For the last 12 years, I have worked in private enterprise and in co-operatives, and the efficiency standards were not different in either sectors.

The co-operative movement belongs specifically to members who care for their principles and who make no exception to the rule of efficiency.

I heard my colleagues mention that parliament could not be compared with a business firm. I am of that opinion, in certain fields, but why should it be inefficient in the legislative field?

Politics, as mentioned by the Minister of Forestry and Rural Development (Mr. Marchand), must be a tool to serve the nation and one cannot, under various excuses, use the nation for political interests.

Our commercial enterprises are expecting decisions of our legislators, to undertake the development of their industrial or farming business. We respect democratic principles, but we would not like to hide behind this so-called democratic philosophy the reality of economic problems which we have to face.

• (9:30 p.m.)

This afternoon, the hon. member for Charlevoix (Mr. Asselin) spoke to us of reforms to the parliamentary procedure. We agree with the idea. But I feel that, the members will be just as efficient in committees. The hon. member for Charlevoix was quite concerned about the publicity and the press. We agree with that also. We appreciate the fact that these things are done objectively, but the press is also invited to attend the sittings of the committees.

If we prolong our debates, we will only serve the interests of politicians thirsting for political capital or prestige; we will not achieve the objectives approved by the Canadian people in the last June 25 election.

Mr. Speaker, Canadians want to revive the parliamentary procedure. They want renewed Canadian economic expansion. They are aware of the future awaiting our young country under the leadership of a dynamic Liberal government in which they have put their trust.

Mr. Speaker, we have at the head of our country an extraordinary man, a man who was given an unquestionable mandate on June 25 last, a man who stirred the interest of our young people in administrative political action.

Some hon. Members: Hear, hear.

Mr. Rondeau: Who is that?

Motion for Concurrence in Report

Mr. Roy (Laval): Mr. Speaker, the people of Canada decided on "one nation". It rejected the various parties that did not represent the idea of amalgamation.

Mr. Rondeau: Who are they?

Mr. Roy (Laval): That was the policy of our Progressive Conservative friends, including Mr. Camp, the right hon. member for Prince Albert, (Mr. Diefenbaker) and Mr. Faribault who, in addition to being defeated by the present member for Gamelin (Mr. Portelance), lost his deposit.

Some hon. Members: Hear, hear.

Mr. Roy (Laval): Mr. Speaker, there must be a reason why the people of Canada—

The Acting Speaker (Mr. Béchard): Order. I should like to remind the hon. members that according to usage in this house when a member makes his maiden speech he must not be interrupted.

Some hon. Members: Hear, hear.

Mr. Roy (Laval): Thank you, Mr. Speaker.

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

The Acting Speaker (Mr. Béchard): Order. Is the hon. member for Shefford rising on a point of order?

Mr. Rondeau: Yes, Mr. Speaker.

Until such time as the parliamentary procedure is amended, a member may not read his speech in this house.

Some hon. Members: Oh, oh.

Mr. Ouellet: Mr. Speaker—

The Acting Speaker (Mr. Béchard): Order. The hon. member for Papineau on a point of order.

Mr. Ouellet: Mr. Speaker, I should like to point out to the hon. member who has just resumed his seat that if he studied the standing orders of the house a little bit more, he would realize that a member may read his maiden speech in the house.

Mr. Roy (Laval): Mr. Speaker, when I studied psychology in school, I learned that when you cannot rise to the same level as your opponent or the man with whom you are conversing, you try to bring him down.

[Mr. Rondeau.]

Mr. Speaker, we are privileged in having, at the head of this government, a man and a cabinet of which all Canada can be proud. All countries in the world now have their eyes on Canada, the country with a future, and we are proud to be Canadians.

I heard, this afternoon, my hon. colleague for Charlevoix insinuate all sorts of things. However, I have in hand the report of the last Gallup poll of November 20, and I quote:

[*English*]

Just before the opening of Parliament, a September 1968 study by the Gallup poll showed that the Liberals had increased their popular support from 45.5 per cent actually obtained in the June election to 49 per cent.

Some hon. Members: Hear, hear.

[*Translation*]

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member, but I think he is out of order.

Mr. Roy (Laval): Thank you, Mr. Speaker.

The poll concluded by saying that the figure now stands at 52 per cent.

That mandate, Mr. Speaker, we must discharge with all the expected flexibility within a more expeditious democratic system of committees.

Mr. Speaker, I wish to congratulate the members of the opposition who have done their work so well. We have noticed their determination so far, and again tonight, and we noted all their remarks.

However, with your permission, Mr. Speaker, I would like to tell them that, last Friday, I attended a meeting of the Liberal federation of the riding of Laval and that the report of the special committee on changes to the parliamentary procedure was discussed. They obtained unanimous approval. It may be said: Granted, they are supporters. But Saturday, I met some members of the opposition party who told me that they fully approved that initiative.

If my dear colleagues on the left allow me to give them a single bit of advice, I shall tell them that if they continue to filibuster, the rump is going to invade all this side of the house.

Last Monday, I was listening to the honourable member for Burnaby-Seymour (Mr. Perrault), and as he spoke I could see faces getting red. I do not know why, but if I were to ask my colleague for Hull (Mr. Isabelle), he would tell me perhaps quite

candidly, that one turns blue before passing away.

Therefore, I can come to the conclusion that by getting red in the face our colleague, the member for Burnaby-Seymour, definitely put on the right track this good medicine which he served to our very good members of the opposition because they seem to be even more aggressive.

Before closing, Mr. Speaker, I should like to inform you of my reaction when I listened to the right hon. member for Prince Albert for whom I have always had a certain admiration. He did not seem perfectly at ease last Friday because he served us a main dish which we certainly could not call a "pièce de resistance" but rather a salad sprinkled with gall and vinegar.

Some hon. Members: Oh, oh.

• (9:40 p.m.)

Mr. Roy (Laval): He repeated that if the Prime Minister were among his audience he would have made other remarks. I concluded therefore that he still considered himself Leader of the Opposition. I even noticed that his charming wife, who was in the gallery, left the house before the end of his speech. At all events, I give the runner a chance, especially if he is winded.

Mr. Speaker, I think the report presented by the special committee on procedure, after having held 26 meetings, should be agreed to.

My colleagues in the opposition have quoted some remarkable excerpts from various conferences. We duly appreciated these glimpses of yesteryear, but we wish now to turn to the future and to establish a workable democratic system geared to the economic requirements created by our century of efficiency.

Before concluding, Mr. Speaker, I wish to congratulate the hon. member for Grenville-Carleton (Mr. Blair) and the members of the committee who have held 26 meetings in less than 3 months to draw up these new rules.

Adoption of the report presented by the special committee on the procedure of the house will allow us to plan our work more efficiently and to serve better the interests of the people.

[*English*]

Mr. Lundrigan: Mr. Speaker, on a point of privilege I would like to congratulate the hon. member for making such an excellent speech this evening and, if I might just take half a second, to say that this is all the more reason why backbenchers should never be restricted from this great activity in the parliamentary procedures of this house.

The Acting Speaker (Mr. Bechard): Order.

Mr. Walter C. Carter (St. John's West): Mr. Speaker—

An hon. Member: Fish.

Mr. Carter: Mr. Speaker, there is no excuse for ignorance, and there is an example of it. In rising to take part in the debate on the motion before the house I would like first to associate myself with other hon. members on this side of the house, all of whom have stressed the obvious need for reform, and indeed our party's willingness to support and see adopted the vast majority of the reforms proposed. Again, Mr. Speaker, not unlike my colleagues I feel that there are certain proposed changes that, if adopted, will have the effects of destroying the essential functions of parliament, of destroying the effectiveness of our parliament especially the opposition's role which is an integral and important part of the constitutional organization of parliament.

Mr. Speaker, people across the country are shocked by what the government is trying to do in this motion. Newspaper comment has been unanimously critical. The government has made no case whatever for the necessity of measures that by their very nature are arbitrary, extreme and restrictive on parliament's freedom. This measure is designed for the Prime Minister (Mr. Trudeau) who sits in his seat, and when we raise questions that are of extreme importance to the province of Newfoundland, shrugs his shoulders and says "ditto." We cannot forget the fact that a few months ago in this house the Prime Minister said, "We are the masters." Now he wants to prove it, Mr. Speaker.

In my opinion, sir, if parliament is to be preserved as a living institution Her Majesty's Loyal Opposition must be able fearlessly to perform its functions. When it properly discharges them the preservation of our freedom is assured.

History, Mr. Speaker, has taught us that freedom always dies when criticism ends. I say now, sir, to the Prime Minister, to the members of the government and to all other Liberal members that you cannot, I repeat cannot, hold a stop watch on free speech. This, sir, I contend is what the government is aiming to do. It is aiming to hold a stop

watch on free speech, and I am telling them now it will not work.

According to the Prime Minister's own statements and the statements of other government spokesmen, what we are confronted with is an attempt by the government to control the procedures of parliament. Sir, I am sure it is a well known fact and established as one of the oldest traditions and the foundation of our freedom, that parliament controls its own procedures. I say to you, sir that a controlled parliament is not a free parliament. A controlled parliament is a mechanical toy for the government to play with. Sir, speaking as one member of this assembly, of this parliament, I say now that I was not, and indeed we were not elected to exercise that role. I will say this, sir, that if any hon. member of this house, on this side or on the government side, is prepared to accept that role he does not deserve the confidence and the trust that has been placed in him by the people. I say, Mr. Speaker, that he is not worthy of the honour to sit in this house and to be part of this great institution, the preservation of which has cost the lives of so many of our fellow Canadians.

Let me tell hon. members opposite, sir, that something more is at stake here than a mere question of procedure. What is at stake is the very essence and meaning of parliament. I ask you, are we to have an opposition that opposes, that is able to oppose a government, or are we to have an opposition whose hands are tied, an opposition gagged by the government? I don't think, Mr. Speaker, that this will work. In all fairness, sir, I don't think an opposition can function properly when it is gagged and its hands tied, unable to oppose because of rules imposed on this house.

I ask you, sir, are we to have a parliament that is free to talk or a parliament that is stifled before debate begins? I say to you, sir, that the government is attempting to produce a monster by a shotgun wedding between the American and the British systems. We must speak as men, Mr. Speaker, and we know that shotgun weddings do not usually work.

I suggest to you that the government, the Prime Minister and the house leader are proposing, as I have said, a shotgun wedding between the American and the British systems and, sir, it will not work. Our system has been developed over 100 years and has native attributes which cannot be compared with either of the other systems. In any case it should be neither one nor the other, and it certainly cannot be both.

• (9:50 p.m.)

Every time there has been an erosion of freedom or thought, the excuse has been that this has been necessary to improve efficiency. The hon. member for Grenville-Carleton (Mr. Blair) and the Prime Minister simply are the most recent editions in a long line of freedom eroders who use efficiency as an excuse for their actions. I say, sir, that what the government is proposing should be done by agreement and compromise. This is the only basis upon which a free parliament can function. If it is to be done by the government majority, used as an instrument to crush the opposition, then I feel there should be a full day's debate. I contend that the two hour limit is an insult to parliament. Parliament is not something that can be turned off and on like a tap. This house labours under sufficient handicaps now, when the Prime Minister and his ministers, after tying the hands of the house, run out and tell their stories before the television cameras. Even under our existing rules the Prime Minister today manages to do much of parliament's business outside the house.

Some hon. Members: Hear, hear.

Mr. Carter: I am sure hon. members will agree that hardly a night goes by when either the Prime Minister or some other ministers do not appear on national television to say unchallenged things they do not dare say in parliament where they would be challenged. It seems very strange to me that ministers who do not have to come in here and face questioning, because they are permitted to be away from the house on so many days in the week, are able to find the time to give their answers before the television cameras. I say that we now have a videotape government. It is a government that hides in isolation, with the ministers appearing only when they are assured of preferential treatment. Is it any wonder that we cannot get any action on behalf of the Newfoundland fishing industry or in respect of the abandonment by the Canadian National Railways in Newfoundland?

A new principle has been written into the rules of parliament, and that new principle is one of government arrogance. Both the house leader and the Prime Minister are using the suggested need to put through a massive and beneficial program as a reason for butchering the rights of parliament. I ask the house leader, where is this program? It is not on the order paper. Does it exist only in the mind of the Prime Minister or in the mind of the

house leader? Why do they not list these measures in detail; why are they so secretive? I ask the Prime Minister, where is the promise of his just society? I have been told by people that there never has been such barren legislation on the order paper. I ask whether the house leader is reluctant to disclose the government's proposed legislation because he wants to change the rules first, paralyze parliament, and then bring in this rather mysterious legislation which they say they want but do not reveal?

As I have already stated, one of the oldest traditions and a foundation of our freedom is the assumption that parliament controls its own procedure. The second oldest principle is parliament's right to have grievances redressed prior to voting supply. The hon. member for Grenville-Carleton, who obviously has addressed himself to the task with a dedication worthy of a better cause, suggested that he would restore vigour to the supply procedures of this house. I ask him how this is possible, if supply is taken out of the house. The hon. member must know that grievances cannot be redressed in committees which are of an investigative nature, and not deliberative. These procedures remove from parliament the right to have grievances redressed. The purpose of supply and ways and means is, first, to examine and criticize the spending and taxing policies of the government. Second, and equally important, is the fact that it presents an opportunity to criticize the administration of government departments. One does not criticize in standing committees; one asks questions. We have lost the right to criticize as well as the right to voice opinions.

The government is asking the opposition to limit its own power to oppose. It is asking the government to gag parliament. If this bill is allowed to pass I contend that members of parliament will become dumb driven cattle, and parliament will be as obsolete as the pyramids. Parliament, sir, will be the tomb and not the defender of Canadian freedom.

The Acting Speaker (Mr. Béchard): Order.

PROCEEDINGS ON ADJOURNMENT MOTION

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

Proceedings on Adjournment Motion

PUBLIC SERVICE—SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday of this week, December 16, as recorded in *Hansard* at page 3976, I put this question to the Prime Minister:

> In view of the right hon. gentleman's desire to extend Christmas happiness to as many people as possible, would he not like to make it clear before Christmas that some time early in 1969 something will be done about the pensions of superannuated civil servants?

• (10:00 p.m.)

It took a little prodding to get the Prime Minister (Mr. Trudeau) to his feet. He said he was not all that anxious to answer my question, but he told me the subject was one which was dealt with in this house by the Minister of Finance (Mr. Benson), I did not get much out of that question.

The next day, Tuesday, December 17, I repeated the question to the Minister of Finance. As reported in *Hansard* at page 4039, I used these words:

> Yesterday, I asked the Prime Minister if he would like to make it clear before Christmas that some time early in 1969 something would be done about the pensions of superannuated civil servants. The Prime Minister told me it was the Minister of Finance who answers for the government on this particular matter. Would the Minister of Finance like to answer my question now?

The Minister of Finance told me he wanted to read what the Prime Minister has said the day before. That would not take him very long. I then said:

> May I ask a supplementary question? Surely the minister knows the answer to this. Are the recommendations which were made to this house on May 8, 1967, still under consideration by the government?

I got an answer to that question. As recorded in *Hansard*, the Minister of Finance said: "Yes, Mr. Speaker".

I suppose I should be pleased to get that answer. The trouble is I have been getting the same answer ever since May 8, 1967. The recommendations made on that May 8 by a special joint committee of both houses of this parliament, recommendations which were unanimous, were in the main to the effect that the pensions of federal superannuates—retired civil servants, retired members of the armed forces, retired R.C.M.P. personnel—should be increased forthwith. These recommendations have been placed on the record a

good many times. I submit they are responsible and reasonable. They were made with the support of all parties in both houses and in my view there is no reason, no excuse, for the long delay in dealing with this matter.

Mr. Anderson: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I welcome the support of the hon. member for Esquimalt-Saanich (Mr. Anderson) and I see a friendly look from the hon. member for Grenville-Carleton (Mr. Blair). In fact, it is just about unanimous. Looking over to the more than usually full government benches I notice one or two more, for example, the hon. member from Burnaby-Seymour (Mr. Perrault). In fact it is just about unanimous in the house tonight.

Yesterday, I finally got an answer to my question No. 4 which has been on the order paper since September 12. Hon. members are probably well aware of the fact that I had put this question down, because it had been there for such a long time. I was glad to get an answer at long last, and when I did get it, it became clear why I had been obliged to wait for so long. It appears the government had gone out of its way to give more information than I had asked for. All I had asked was the number of retired civil servants drawing pensions in each of a number of different brackets—information of a kind which I have sought and obtained over a great many years. Apparently the government decided to enlarge its computer program in some way or other and to break the figures down to show how many people in these categories had served for a certain number of years—some for a short period, some for a longer period, and so on. It was obvious that an attempt had been made to produce figures which would justify some of the low pensions about which we had complained so bitterly.

I submit that the table gives rise to more questions than it answers. I wonder why the government set it out in this way. For example how can any government explain that there are two people who were in government service for 35 years or more and whose pensions are lower than $20 a month? Why did the government take two or three extra months to give me that information, or to tell me there are five people who have served between 30 and 34 years and whose pensions are less than $20 a month? The more one goes into this, the more shameful the whole picture becomes and the more we should regret that nothing has been done to alleviate the difficulties which these people face. I contend it is time some action was taken to solve this problem.

[Mr. Knowles (Winnipeg North Centre).]

Looking over to hon. members sitting on the government benches tonight I try to figure out who is going to answer my question. I imagine it is the Parliamentary Secretary to the Minister of Finance (Mr. Gray). I do not know what answer he has got ready but I plead with him to tell the retired civil servants of Canada, what the government's Christmas message to them is to be. Is it to be the old story to the effect there are just as many members on the other side who are as concerned with this question as I am? Is it to be the story about the old age security pension or the guaranteed income supplement, or the Canada Assistance Plan—

The Acting Speaker (Mr. Béchard): Order. The time of the hon. member has expired.

Mr. Knowles (Winnipeg North Centre): All right, Mr. Speaker. All I want is the government's Christmas message to the retired civil servants of Canada.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) drew attention to the answer to his question No. 4, which made clear that most of those who are drawing low superannuation pensions have very short periods of service in the government.

Mr. Knowles (Winnipeg North Centre): Thirty five years!

Mr. Gray: The cases he has mentioned specifically are explained by the footnotes to the table, which the hon. member did not bother to mention. I will read them:

> The cases shown in this table, where there is a combination of long service and small pension, can arise from two sources: (1) Newfoundland government employees who transferred to the federal service in 1949 at the time of union who retired soon after transfer and before their higher federal government salaries had been received long enough to raise the pension level, and (2) revenue and assistant revenue postmasters in low revenue offices who were brought under the Civil Service Superannuation Act in the late '40's.
>
> All cases which have been identified are of the former category.

The Minister of Finance (Mr. Benson), when he answered the hon. member's question of December 17, confirmed that this very important matter remains under active consideration. Unless my memory fails me, the President of the Treasury Board (Mr. Drury) when speaking on his estimates indicated that

he would be willing to take the matter back to cabinet to ensure that it continues under needed active consideration.

One thing is certain: the views expressed by the hon. member for Winnipeg North Centre could be raised with equal eloquence by members of parties on all sides of this house. I conclude, while personally regretting that I cannot add anything further to what has already been said on behalf of the government, by saying that with respect to the hon. member's request for a Christmas message, I feel that one of the great messages of Christmas is hope.

Mr. Knowles (Winnipeg North Centre): But they have lost faith and there is no charity.

CRIMINAL CODE—INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

Mr. John Gilbert (Broadview): Mr. Speaker, on Monday, December 9, I ask a supplementary question of the Minister of Justice (Mr. Turner) as follows:

> Does the government intend to include in the omnibus bill to amend the Criminal Code a measure abolishing corporal punishment?

The reason I asked that question was that I know from experience, more especially in criminal law, about the use of the broad strap and the cat-o'nine tails with regard to the treatment of men who have been sentenced and have had added to their sentence punishment by either the whip or the lash. I also learned that under the Penitentiary Act there is what is known as what the warden's court for discipline within the institution. In an article in the Toronto *Daily Star* of November 16, the writer, Mr. Earl McRae, set forth the concern of the executive director of the John Howard Society, Archibald Kirkpatrick, who has been interested in this problem for many years and had an interview with the reporter and set forth his views. His views are worthy of comment. He asked: What is the philosophy behind corporal punishment? The article then says:

> "I think there's a strange idea that the seat of emotions is in the seat of the pants," he says.
>
> Most of the offences for which whipping can be included in the sentence are of a sexual nature, reflective, he says, of a disordered mind.
>
> "Corporal punishment would not be considered appropriate in the treatment of mentally disturbed persons and therefore should not be considered in sex offences which are manifestly psychological in derivation," says Kirkpatrick.
>
> "We have to change people's minds about corporal punishment. They say it is similar to chastising a child. But, when you chastise a child it is done out of love in a home of love. It is accepted in this context. When you whip or strap a grown man you are depriving him of a great deal of his dignity and humanity. We are negating all evidence of humanistic behaviour in modern society. If a man commits an offence, we should be finding out what makes him do these things. We should be trying to rehabilitate him. Corporal punishment, in my mind, is simply vengeance."

• (10:10 p.m.)

In this article he goes on to set forth the views of an assistant warden of Kingston penitentiary who said:

> —last year, about a dozen inmates received the whip or strap.
>
> "And, I don't like it at all", he said. "None of us do, believe me."
>
> "I have an aversion to it, every officer in here has. We try to preserve as much human dignity as possible. We don't want to look like a bunch of brutes."
>
> The warden said "It seems to have an effect" for short periods on a few inmates "but morally, I am against it."

Then we have the report of one of the staff doctors, Dr. W. T. Amodeo who said with regard to the effects of corporal punishment:

> "No, I don't think it effects any kind of reformation," he told *The Star*. "I don't think it is of any value at all.

As a result of that article I directed some remarks to the commissioner of penitentiaries when he appeared before the standing committee on justice and legal affairs. The parliamentary secretary nods his head to show that he remembers that occasion. I said to the commissioner, A. J. MacLeod:

> Mr. Commissioner, I would like to direct other questions to you with regard to corporal punishment. Under the Code you have the whipping section, section 641, with which you are probably familiar, and I understand there are two types of whipping, the lash and the broad strap. Could you tell me how many inmates received corporal punishment in the last three years?

He set forth the two types, the type that is imposed by the judge and the type that is imposed under the warden's court. Then he said:

> I have that information somewhere here. Corporal punishment as a sentence of an institutional board of discipline in our institutions was handed down once this year between January 1 and the middle of October; 19 times in 1967; 32 times in 1966; 7 times in 1965; 26 times in 1964.

So you can see that in this last year only one person has been administered corporal punishment as a result of the warden's court decision. Then he gave the figures with regard to sentences by judges and he said:

> —8 times so far this year, from January to the middle of October; 5 in 1967; 3 in 1966; 3 in 1965; 22 in 1964; 9 in 1963.

Following that and after other remarks which he made, I said:

> In other words, you would not have any objection if I brought forth an amendment to repeal that particular section?

In answer the commissioner said:

> I would not, no. As a judicial punishment, it is remarkable that it is reserved under the Criminal Code for offences that involve the use of violence or the threat of violence by the offender. Our people seem to think that it may have a useful short-term benefit if it is imposed on an offender, but ultimately society reaps more violence from him than it inflicted upon him.

As a result of that I brought forth a bill in this house to abolish corporal punishment. The sequence of this is that we now have the omnibus bill with amendments to the Criminal Code which will be tabled tomorrow morning. This is the reason that I asked the Minister of Justice whether he would include this measure in this very important bill. His answer was disappointing. This is the reason that I brought this matter to the attention of the house, and I hope that the parliamentary secretary will give us hope that he will be able to persuade the Minister of Justice to include this matter in the bill.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I must say that I agree with my hon. friend; this provision should be struck out of the Criminal Code. Fortunately, it is falling into disuse, according to the evidence given to the committee on justice and legal affairs by the Director general of Penitentiaries. In a certain way, I am sorry it has not been included in the amendments to the Criminal Code tabled this day in the house.

It should be mentioned that the proposed amendments affect 119 sections; there are 126 pages of them. I know all the work it took to draw up those amendments and I think that the request of the hon. member unfortunately came a bit too late to be included in those amendments to the Criminal Code.

However we must hope—and I do hope so —that the bill which he tabled himself in the house will be referred to the committee on justice and legal affairs for consideration and that a report will be presented to the house so that very soon we may abandon this practice which I think is barbaric.

I can assure the honourable member—and I am speaking strictly for myself—that I shall do everything I possibly can to help him convince not only the Minister of Justice but also the Solicitor General who is answerable for the penitentiaries, in order to try and bring about the necessary changes.

[*English*]

OLD AGE SECURITY—REQUEST FOR ISSUANCE OF CHEQUES BEFORE CHRISTMAS

Mr. Barry Mather (Surrey): Mr. Speaker, I think it was about a week and a half ago that a number of members in this house, including myself, raised the question with the government about whether, particularly having in mind the Christmas season, the old age security pension cheques could not be mailed out a little bit early to their recipients. My question was ruled out of order by Mr. Speaker, and I welcome the opportunity of restating it tonight. I think the reasoning of members in this connection was that it would cost the taxpayers and the government no more money to do this, and it would help the old age pensioners, particularly those on small fixed incomes such as the old age pension itself, to have a little better Christmas than otherwise. I felt therefore this was a reasonable request, and I still think so.

I was pleased myself today to receive my cheque from the government approximately a week and a half ahead of time in the amount of approximately $2,200. This of course includes our quarterly expenses. I was glad to get this, particularly at this time of year, and it does not cost the government any more money to give us this ahead of time. If I was glad to have $2,000 today a little ahead of time, I would think the old age pensioners of this country, numbering about half a million and who receive from this government only about $75 or $80 per month, would be even more pleased to get their cheques ahead of time.

I am not saying this in any demogogic way; I think it is a matter of common sense. It is reasonable that if members of parliament receive their cheques ahead of time, then the old age pensioners, even although it is late in the month, should receive theirs ahead of time. I hope the government, even now, will consider speeding up the delivery of old age pensioners' monthly cheques. I sincerely hope that the government will not give the same old answer, that the senior citizens of this country—who are 75 or 85 years of age—are so inexperienced that as soon as they get the money a week ahead of time they will be throwing it around and

living it up. On $18 to $19 a week surely that is ridiculous.

• (10:20 p.m.)

As I say, this step would not cost the public any more money. I am glad to see the Liberal members here tonight, thus indicating some support for this question. Therefore I again ask why the government will not take this action and mail out the cheques, even at this date, so as to give the old age pensioners and senior citizens a little bit of a break.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I do think that the minister would not like anything better than to share in the Christmas spirit and to compete with Santa Claus if he could take a more arbitrary and discretionary approach towards the allocation of old age pensions.

We must remember however that when we refer to the holiday season, we also refer to gifts. With regard to the payment of old age pensions, we must admit that the right to a pension is recognized by the legislation and that the regular payment of those pensions, at the end of each month, has become for the payees an important element of their budget.

Like the hon. member, I know that we welcome cheques when we get them a week in advance, but the money we get allows us to have perhaps a more flexible budget than that of old age pensioners.

Therefore, if the government were to change the date on which monthly cheques are sent out, if it complied with this request, there would be an interval of 40 to 45 days between the reception of the December and the January cheques. It is not a question of giving in to finer feelings at Christmas time, but of recognizing the right of old people to receive their pension cheque regularly.

[*English*]

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, December 20, 1968

The house met at 11 a.m.

COMMONWEALTH CONFERENCE

EXPRESSION OF GOOD WISHES TO PRIME MINISTER PRIOR TO DEPARTURE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, if the house will grant me the indulgence on this, the last opportunity that we will have in this chamber to wish the Prime Minister well when he attends the Commonwealth prime ministers' conference, I would like the opportunity of speaking not only for myself as a former prime minister who knows something of those conferences but I am sure for members in all parts of the house in wishing him well.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The Prime Minister will face a conference different from anything he has ever attended before as representatives gather from all parts of the world in a conference representing the greatest number of people dedicated to freedom and peace that has ever occurred in the history of the world. There will be many tremendous problems to be faced. There will be no vote at the conference, but there will finally be a consensus and agreement when men and women, representing every colour and race, sit around that prime ministers' conference table whose desire will be to do their part to assure the preservation of the Commonwealth and the peace of the world.

In that conference the Prime Minister will speak for all Canadians, and I wish him well. It is a challenging, fascinating, tremendous experience, and I am sure when he sees Her Majesty the Queen he will convey to her the loyalty, affection and devotion of Canadians as a whole.

I say again to the Prime Minister, with the great powers he possesses and the challenging opportunities that will be his, that the hopes and aspirations of Canadians will be carried by him. I repeat that he will speak for all Canadians.

Some hon. Members: Hear, hear.

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Mr. David Lewis (York South): Mr. Speaker, on behalf of my colleagues and myself I wish to join the right hon. gentleman in wishing the Prime Minister well. As I am sure he has done, over many years I have watched the development from empire into Commonwealth and have been struck by the most important fact about the present Commonwealth, which is that it is a mixture of forms of government, monarchical and republican, and even more important a mixture of races, every country of every race claiming and having equal status with every other country.

I do not know exactly what the agenda of the Prime Ministers Conference will be, but obviously the question of the treatment of other races in some parts of the Commonwealth, the relationship of the Commonwealth to the United Nations and to events in Europe, the whole problem of feeding a hungry world and of making the Commonwealth work for human equality across the world, are part of the notions that all of us have about the value of the Commonwealth in the present day. And I say without reservation I have confidence that on these matters of human liberty and civil liberty the Prime Minister will represent Canada well, and I wish him an interesting and fruitful time at the conference.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, we, of the Ralliement Créditiste, would like also to wish the Prime Minister a pleasant trip overseas for the conference of the Commonwealth countries. We would also ask him to urge those countries—I have already mentioned that—to put an end to the hostilities in Nigeria and to make representations to England so that it will stop selling arms to Nigeria, in order that peace may be restored in that country where so many people are dying when we are hoping for peace and prosperity everywhere.

We also ask the Prime Minister to suggest to the Minister of Finance (Mr. Benson) that he could relieve his headaches by allowing the Bank of Canada—as some Commonwealth countries are allowing their central banks to do—to grant interest free loans to the provinces and the municipalities to further our country's development.

Commonwealth Conference

• (11:10 a.m.)

[*English*]

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am very touched by the wishes I have received. I want to thank the right hon. member for Prince Albert (Mr. Diefenbaker) in particular for his good wishes. I must confess that I am quite excited at the prospect of this conference. It will be an exciting conference, in an exciting city. The whole proceedings, admittedly, will be a little mysterious to me. It will be my first such conference but not my last, I hope.

Some hon. Members: Hear, hear.

Mr. Trudeau: I should add, that I hope it will not be the last that any Canadian prime minister will attend. I am confident that these meetings of Commonwealth heads of government will go on for many, many years. I have heard many definitions of the Commonwealth, but perhaps the one that is most embracing is that it is an assembly of unalphabetically arranged names. It is a meeting of men of good will from many lands.

I am looking forward to the discussions. I will do more listening than talking. I have not, as I say, been enriched by any previous experience in this regard, but I have taken at least a minimum precaution. I have made sure that I will be occupying the same suite, in the same hotel, that was occupied by the right hon. member for Prince Albert at previous Commonwealth conferences in the hope that perhaps some of his wisdom and knowledge will rub off on me.

Some hon. Members: Hear, hear.

Mr. Trudeau: I am very conscious of the points underscored by the leader of the New Democratic party, that this is a great occasion for men representing countries of many ethnic and racial origins, situated at varying degrees of the economic and social ladder, to discuss together problems and solutions. I recognize that this is a very important meeting in this sense, that we as equals can discuss problems which make us so unequal because of accidents of birth and geography. I think we can do a great deal to show the world the concepts of pluralism in which we in Canada believe and in which members of the Commonwealth, by the mere fact that they are members of the Commonwealth, also believe.

[Mr. Dumont.]

[*Translation*]

It can be said that Canada, with its pluralist philosophy does its utmost to direct the Bank of Canada, if not toward the ideology advocated by the hon. member for the Ralliement Créditiste, at least toward pluralism where people whatever their origin or their language, can live in peace in a modern world.

[*English*]

INDIAN AFFAIRS

REFERENCE TO COMMITTEE OF ANNUAL REPORT OF DEPARTMENT

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been discussions among various groups with respect to the standing committee on Indian affairs and northern development, and I think there might be general agreement to the introduction and acceptance of a motion to empower the committee to consider the annual report of the Department of Indian Affairs and Northern Development for the year ending March 31, 1968; to empower the committee to adjourn from place to place; and that the clerk of the committee and the necessary supporting staff might accompany the committee.

I wonder, if leave is given, whether this motion could be put and perhaps made an order of the house.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered by the house.

[*Translation*]

ORDER OF PRECEDENCE

CHANGE IN STATUS OF SPEAKER OF SENATE AND SPEAKER OF HOUSE OF COMMONS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would like to tell the house that the Governor General has approved a recommendation I made to him, concerning a change in the table of precedence for Canada, so that the precedence of the Speaker of the Senate and the Speaker of the House of Commons will give due recognition to the importance of their office as representatives of the legislative branch of the government.

[*English*]

Consequently the Speaker of the Senate and the Speaker of the House of Commons shall now be given precedence immediately

following the head of the executive branch and the head of the judiciary. I am confident that this change will be greeted with approval in the house, and that all members will be happy to see due recognition given to the occupant of your high office.

Some hon. Members: Hear, hear.

Mr. Trudeau: In the same recommendation, and in keeping with the same concept of recognizing the significance of parliamentary offices, I have proposed that the precedence of the Leader of the Opposition should also be advanced. Henceforth the Leader of the Opposition will be accorded precedence immediately following members of the cabinet.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am sure every member of the house will be delighted at the announcement of the Prime Minister relating to the precedence to be given your office and the office of the Speaker of the Senate. We welcome it in terms of yourself personally, but above all in terms of the high office you hold. It shows the increased respect with which we are treating parliament in approving the announcement of the Prime Minister. You, sir, have brought great lustre to the House of Commons as the Speaker of this chamber, and it is certainly most fitting that you should have been in the chair when the Prime Minister made this announcement.

Some hon. Members: Hear, hear.

Mr. Stanfield: Now, sir, with regard to the position of the Leader of the Opposition, through you may I express my personal appreciation to the Prime Minister. I hope that coming so close in rank to the lofty office of the ministers will not go to my head. I will of course, by virtue of my office, expect to be treated with great respect by everybody from now on and to be approached with the appropriate amount of bowing and scraping. I expect that not in my personal capacity but out of respect to the high office I now hold.

Some hon. Members: Hear, hear.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because of the very high regard that all of us in this house have for Your Honour we welcome this opportunity to demonstrate that fact by giving our applause to the announcement the Prime Minister has been pleased to make. I confess that I have a penchant for making amendments, and if it were possible I would like to amend the statement so as to put Your Honour ahead of the Speaker of the Senate, but I gather there is no rule under which I can move such an amendment. No, please do not mention rule 16-A.

On behalf of the members of this group I join the Prime Minister and the Leader of the Opposition in paying this interim tribute to the way in which you have graced the chair during the last parliament and during this one. We are pleased you are being referred to as our permanent Speaker, even though there may be no such nomenclature in our statutes. In our view you are helping to improve the image of parliament by the way in which you are fulfilling your role. We are very happy to join in this expression of tribute to Your Honour. We welcome the other changes that are indicated in the statement, in particular because we look forward to future developments.

• (11:20 a.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I think this is the perfect day for season's greetings.

In any event, my colleagues and I welcome the announcement made by the right hon. Prime Minister, and we do not think it is a present. We think that the changes he made in the table of precedence are useful and necessary, and we congratulate him.

In examining rule 16A these past few days, I was worried that the efficiency and authority of the Chair would be questioned, but I notice that the right hon. Prime Minister now recognizes this authority and we welcome the decision taken.

[*English*]

PILOTAGE

TABLING OF SECOND REPORT OF ROYAL COMMISSION

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I should like to table two copies in English and two copies in French of the second report of the royal commission on pilotage.

Mr. Speaker: Has the minister leave to table this report?

Some hon. Members: Agreed.

HARBOURS

TABLING OF STUDY OF DECENTRALIZATION, IN ENGLISH

Hon. Paul Hellyer (Minister of Transport): Yesterday, Mr. Speaker, the hon. member for Annapolis Valley raised the question of my undertaking to table a study of harbour administration in Canada, which I had given in the house some time previously. The problem is the translation of the study is not yet complete. A number of people have requested that it be made public in the interim, including the executive secretary of the Montreal port authority. If it were the opinion of the house that I might now table the copies in English, with the undertaking that copies in French will be laid on the table as soon as they are ready which I understand will be early in the New Year, I would be pleased to do that.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

AIRPORTS

TORONTO—STATEMENT ON EXPANSION OF FACILITIES

Hon. Paul Hellyer (Minister of Transport): While I have the floor, Mr. Speaker, I should like to make an announcement with regard to the Toronto international airport. If copies of this statement have not been circulated to members of the opposition I apologize, and I should like my staff to see that this is done immediately.

In 1966 the Department of Transport engaged a firm of consultants to develop a conceptual plan for expansion of airport facilities to cope with the increases forecast for air line passenger, general aviation and air cargo demands in the Toronto area. The consultant's report submitted to the department in late 1967 concluded that expansion of the present Toronto international airport was the most economic and viable course of action to satisfy these requirements, conditional upon three important factors.

The first was that additional land was available for expansion. The second was that an adequate ground transportation system could be provided; and, third, that land use compatibility could be satisfied with respect to the communities surrounding the airport. After officials of the department had carefully studied the many technical proposals in the report, I announced publicly on August 2 last that the government was prepared to proceed with expansion provided the three conditional matters were met, but it should not be carried out at the expense of the general interest of many residents who live near the airport.

Since the announcement, members of my department and myself from time to time have had a series of meetings with officials of the government of Ontario, with the municipalities surrounding the airport, with interested members of parliament mainly from the Toronto area, with the various members of the air line industry, and with volunteer citizens' groups.

Many citizens of the area expressed concern about the possible increased noise which could be generated by an expanded airport, and a number of the municipalities in the area surrounding the airport said serious problems would be encountered in rearranging existing planning and development programs in adjacent municipalities.

On the basis of the sociological implications of the proposed expansion, and in consideration of the present use of land in the area, the government has concluded that the condition of land use compatibility cannot be satisfied. Consequently we have decided against full scale expansion of the airport at Malton. Instead, a joint federal-provincial government committee will be established to study alternative sites for future expansion to serve the southern Ontario region.

The Toronto international airport will be developed to sufficient capacity to meet presently foreseen requirements for servicing large jets being introduced in 1971, and the volume of passenger traffic up to the late 1970's or even into the early 1980's. The development will include extending an east-west runway in the northern part of the airport, building new terminal facilities, and providing additional service and control facilities to handle the expected increase in passengers and freight. Work will start immediately. The present airport will continue to operate as a base for air carrier operations, for special general aviation operations and as an aircraft industrial base even after a second airport is opened.

Plans for future expansion will take full account of the direction of urban growth in the area. Facilities will provide the most up to date capabilities for dealing with advancing air technology, including supersonic aircraft.

We are satisfied that this alternative proposal can efficiently meet the problem of

providing the best in services for the air travelling public, while still protecting the basic rights of the many residents of the Toronto urban area.

There will always be a problem in reconciling the demands of progress with the basic concerns and rights of human beings, and the members of the federal government are fully aware of the difficulties in arriving at solutions satisfactory to everyone. Proper solutions depend upon full co-operation of all members of the community. This proposal for Toronto international airport represents the kind of solution that can emerge when all citizens participate in a dialogue with the government in a spirit of reason and good will.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in view of the rather extensive nature of the statement I wish the minister had followed the custom of some of his colleagues and sent out advance notices. Perhaps he will do so in the future. In view of the short notice I think the remarks of members on this side of the house must be in rather general terms.

Generally speaking it appears that the government has made a wise decision here, inasmuch as there were many complaints and objections by citizens in the area which clearly have received reasonable consideration by the government. The government has apparently decided not to bring the very large supersonic jets of the future into the existing facilities, or even the expanded ones, at the Toronto international airport, and I think this is the correct approach to be taken. However, the minister did indicate that somewhat larger jets will be flying into that area in the immediate future and that there will be an extension of runways and the like.

I hope the government will continue its policy of listening very carefully to complaints made by citizens and business firms in this area, because these expanded jet liners and the larger jumbos are not only noisy nuisances but can present actual hazards to life and property.

There is little else one can say at the moment, Mr. Speaker. I am very glad, as I am sure all members are, that consideration has been given to the building of a large new airport for aircraft of the future, situated in a place which will present no serious nuisance or danger to citizens.

Mr. David Lewis (York South): Mr. Speaker, as one of the members representing a Toronto riding and also speaking on behalf of my colleagues I greet with delight the fact that the minister has changed his mind since last August. However, I express the hope that the extensions of the airport that he has mentioned will not be so large as to defeat the purpose he has in mind. I am sure the affected residents will also hope that is the case.

• (11:30 a.m.)

Will you permit me to take a moment, Mr. Speaker, to say that this experience underlines what some of us have suggested for some time, that there is a need for a permanent kind of organization to plan developments in the major urban metropolitan centres of Canada. Unfortunately the minister came to a conclusion last August on the basis of reports he had received, and only after the people in the affected areas had been frightened out of their wits was he able to consider their representations and change his mind. How much better it would have been if we had had some permanent organization made up of federal, provincial, regional or municipal members—an urban council, as the members of my party have suggested. I feel that if modern developments and the results of technological progress of every sort were discussed by the three levels of government before a decision is made we might avoid the rather frightening situation that the citizens of the affected areas faced until now. I am glad at last the right thing is being done.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, in reply to the statement just made by the hon. Minister of Transports, I would like to say, on behalf of the Ralliement Créditiste, that we are happy to learn that serious efforts have been made to reconcile the necessities of progress and the expansion of the international airport in Toronto with those of the citizens of that region.

In view of the modern age opening for us in the field of aeronautics, we must now, as the previous speaker has just said, introduce measures and establish continuing organizations in order to plan and anticipate solutions to problems which might arise from the creation of an air base, for these problems sometimes come into conflict with human needs.

Mr. Speaker, although the people of Toronto welcome the announcement of the minister, we are nevertheless anxious in Quebec regarding the construction of the future international airport. I take this opportunity to point this out to the minister, so that similar problems can be avoided in the future, and that

we may set up immediately or in the near future, a permanent body, as suggested by the member who spoke before me that can then anticipate problems and also conciliate the expansion of the airport with the economic needs of the region. I feel that we would thus show real foresight, for which the people would be grateful.

I should therefore like to point out to the minister that central Quebec should be taken into consideration in the planning of the future international airport, in the hope that the airport can be as efficient and as interesting as the one in Toronto.

NORTHERN AFFAIRS

YUKON—TABLING OF CARR COMMISSION REPORT

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have the honour to table before the house the two versions, English and French of Volume I of the study entitled: "Yukon Economy: Growth and Life Expectation". This volume represents the main part of the survey made by the consulting economists D. William Carr and Associates Limited at the request of the federal and Yukon governments.

It will be recalled, Mr. Speaker, that on September 24, I advised the house that the government had received a preliminary report on this study. Later on, I distributed a summary thereof to the members. At the time, I promised to table the interim report *in extenso,* as soon as the French version would be ready. However, the consulting economists gave us the final report soon after, and as it was almost identical to the preliminary report, I thought it preferable to table the final report.

The report was handed to us in eight volumes. Volumes 2 to 8 inclusive are studies on documents and will be available for consultation in some of the libraries in Ottawa and Whitehorse.

I should like to point out to the house that the views expressed in this report are not necessarily those of the federal and territorial governments, although those two governments commissioned the study and the report.

The report will be put on sale throughout Canada through the Queen's Printer. Copies have been shipped to the Yukon for immediate sale.

[*English*]

CONSUMER AFFAIRS

TABLING OF WHITE PAPER ON PRICE STABILITY

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to table in English and French copies of a white paper entitled "Policies for Price Stability".

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

Some hon. Members: Agreed.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I do not know whether I am in order, seeing the minister has made no statement, in attempting to make a comment or two on this matter.

Mr. Speaker: Order, please. According to the rules statements may be made by hon. members in opposition only if the minister has made a statement. But if there is agreement the Leader of the Opposition could make a statement.

Some hon. Members: Agreed.

Mr. Stanfield: Mr. Speaker, I must express the greatest of disappointment in the policies which have been announced and in the board that is being established. I think we all recall the announcement by the former prime minister at the time of the financial crisis last winter, in which he indicated that there would be a substantial new effort to deal with inflation. In all fairness I can only say that the mountain laboured and produced a mouse.

I make my remarks at this time, not to be provocative but to try to bring to the minister, the Prime Minister and members of the government some sense of urgency regarding inflation and the resulting handicaps it is imposing on the country. We now have an unacceptable rate of inflation associated with an unacceptable amount of unemployment in the country.

Mr. Basford: That is what the white paper says.

Mr. Stanfield: I am not so much interested in what the white paper says as in what the government proposes to do. I was disturbed when the Prime Minister said the other day that the government's programs are working well. In fact we have in this country an alarming inflationary psychology which

already has a very pronounced effect on the willingness of our citizens to buy medium or long term obligations. That must also be of concern to the Minister of Finance with regard to his ability to manage the public debt; certainly it must be of concern to the provinces with regard to their ability to manage their public debts.

I say, sir, that considering the continuing unacceptable rate of inflation which is associated with unemployment and the very alarming manifestation of a deterioration in the psychological attitude of investors toward investment, my hon. friends opposite ought to know that it may be far later than they think with regard to dealing with inflation. Setting up this commission under these circumstances is equivalent to arming the Canadian armed forces with pop guns.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in common with the Leader of the Opposition the members of our party were disappointed that the minister made no statement when introducing this new measure. We have been waiting to hear what he would say, to see how his remarks would differ from the statement he prepared for the ministers of finance at the conference. I have studied the latter material carefully, and I imagine that his comments on the measure presently before us would not have been very different. May I be permitted to comment in several ways on this commission and on what it is likely to do. The Leader of the Opposition—

Mr. Speaker: Order, please. I suggest to the hon. member that the comments she proposes to make should be brief. Even if the minister had made a statement, according to the rules comments made should still be brief, and I think the hon. member should keep that in mind. Since statements have been made by representatives of parties in opposition I think later the minister might be allowed to make a statement on behalf of the party in opposition to the opposition parties. Perhaps he should be allowed later on to do that.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, when people start to caution me and they have not cautioned anybody ahead of me I am always a little leery, but I shall certainly keep Your Honour's remarks in mind. I have heard some fairly lengthy statements this morning but I will certainly be governed by your caution, Mr. Speaker.

• (11:40 a.m.)

I wish it were possible for us to welcome the package which the amiable and hard working minister has put under the Christmas tree, but I am afraid I would be doing less than my duty to the people I represent if I did not point out that there are serious dents and bumps in this package. I wish to say strongly and definitely that what is required at this time is not another educational seminar, not further information and evidence as to the need for something to be done about inflation or the general method of coping with it. What is required now is a prices and incomes board with teeth in it.

I want to enumerate what one or two of the teeth should be, because this is a piece of dentistry which the minister may find difficulty in understanding. We need, first, to put into force legislation giving the commission power to summon anyone before it to justify increases in the prices of goods and services. The price of services is extremely important. There should be statutory provision to obtain information not only from producers but from service industries including medical people and other professional people, the cost of whose services have gone up especially of late, accounting for a marked increase in the cost of living generally.

All increases should be included among the subjects of inquiry. Dividends, rents and profits should come within the purview of this commission. The minister himself has told us it is no secret that there is a conflict between the interest of consumers and the interest of producers. Instead of merely keeping the ring, this commission ought to recognize that the interest of the public is superior to any other interest in this connection.

In conclusion, the people will expect this commission to be given statutory power to bring about a meaningful relation between prices and incomes in this country.

Mr. Speaker: Order, please. So that the hon. member for Vancouver-Kingsway may not think I have discriminated against her, I will also ask the hon. member for Abitibi to bear in mind that statements ought to be as brief as possible.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the speech made by the Minister of Consumer and Corporate Affairs (Mr. Basford) is not new, since it is only a repetition of what he said yesterday to the ministers of finance who

were meeting in Ottawa at the federal-provincial conference

I too would have prefered the hon. minister to make a statement where he tabled his white paper today. In fact, it is not really a present, but rather a worn-out book, since the white paper tabled this morning contains nothing that we do not know already. Many commission of inquiry, especially that of the Economic Council of Canada, recommended in their reports exactly what the hon. minister wants to do by establishing an independent commission.

I do not think, Mr. Speaker, that the method suggested by the minister to determine the causes of our present problems can add anything to the conclusions of the previous inquiry commissions.

The Minister of Consumer and Corporate Affairs should consider the proposals previously made in this house in order to find real solutions, because there are some. We are facing problems and the minister has attempted yesterday to frighten the provincial finance ministers, but I do not think that he could do that to us. We know that there are problems of inflation and unemployment and the minister stated yesterday that he could not find any solution. Still, to set the financial system in order, the minister only has to consider the proposals made by the members opposite, especially the Ralliement Créditiste proposals.

[*English*]

Mr. Basford: I intend to be very brief in commenting on the remarks of the Leader of the Opposition. I would point out again that the white paper itself draws attention to the serious problem we face inasmuch as both unemployment and inflation exist at the same time. We highlight this problem, and are proposing policies which will enable us to understand it better and how to deal with it most effectively.

It is also noted in the white paper that in addition to the present cabinet committee a new, independent body, a prices and incomes commission, will be established together with a third element, a new committee of this house to be known as the standing committee on price stability, incomes and employment. If the Leader of the Opposition holds this parliament and its committees in such low regard as to refer to them as popguns I can understand why he is Leader of the Opposition and not Prime Minister. I have confidence in this institution and what its committees can do, and I think this new committee will be an effective instrument in helping create price stability.

With regard to the remarks of the hon. member for Vancouver-Kingsway, may I say I have difficulty in finding out exactly what that party stands for. I can only take it that the official position of the hon. member's party is as outlined in her private member's notice of motion No. 46—

Some hon. Members: Order.

Mr. Speaker: Order. The minister knows that the rule—if we can apply the rule as it exists to this debate—says that a reply made by an hon. member should not be of such a nature as to provoke debate. This is what the minister is doing now, and I think much might be gained by bringing this topsy-turvy debate to a turvy conclusion.

Mr. Basford: What I have announced this morning goes much further than the policy enunciated by the N.D.P. in motion No. 46.

Some hon. Members: Hear, hear.

Mr. Stanfield: On a point of order, I appreciate the unanimous consent given to me this morning, but I hope this minister or other ministers will not be tempted to use this technique as a device which enables them to reply to members of the opposition.

Some hon. Members: Oh.

Right Hon. P.-E. Trudeau (Prime Minister): On that same point of order, Mr. Speaker, we may be tempted to do just that. When we table something without making a statement in order to shorten the proceedings, and spokesmen for opposition parties insist on getting consent to comment, we shall certainly continue to press for consent to make our own comments.

Some hon. Members: Hear, hear.

BUSINESS OF THE HOUSE

On the order:

December 18, 1968—*The President of the Privy Council:*

That when the house adjourns at the conclusion of the sitting on Friday, December 20, 1968, it shall stand adjourned until Tuesday, January 14, 1969, at 2:30 p.m.; provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time

stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of this order.

Hon. D. S. Macdonald (President of the Privy Council): Before putting this motion it might be helpful if I were to make a proposal with regard to the day's sitting. It has been suggested that it might be useful to recess the sitting for the purpose of enabling discussion to take place on certain arrangements with respect to the business of the house, and I suggest for the consideration of hon. members that after routine proceedings have been dealt with but before we continue the debate on government orders the house might recess this sitting, to be recalled at the instance of the Chair.

Mr. G. W. Baldwin (Peace River): That is perfectly agreeable. We had such an arrangement in mind, and probably for that reason the minister would be prepared to stand the particular motion which is in his name since the course of the discussion which is to take place might well affect the procedure in this house and the period of adjournment.

• (11:50 a.m.)

Mr. Macdonald (Rosedale): I would be quite prepared to have the motion stand provided it is understood that at a later stage in this sitting I might put the motion without having unanimous consent.

Mr. Baldwin: Yes.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are happy to support this suggestion. Indeed, it represents an agreement which has been arrived at. I hope I will be pardoned for seeking to clarify one little point. The President of the Privy Council said we would recess after routine proceedings. I believe the understanding was that we shall recess after we have had questions on the orders of the day.

Mr. Baldwin: After the question period.

Mr. Knowles (Winnipeg North Centre): That being the case we think it is a good idea that the parties have further opportunity for discussion, and that the house leaders have an opportunity to confer in the hope that we might reach a settlement today that will be acceptable to all.

Mr. Speaker: Hon. members have heard the suggestion made by the President of the Privy Council. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered. It is understood also that the President of the Privy Council shall be permitted to return to motions in due course.

Some hon. Members: Agreed.

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING DEFINITIONS, UNAUTHORIZED WORKS, ETC.

Hon. Paul Hellyer (Minister of Transport) moved the first reading of Bill No. S-19 (from the Senate), to amend the Navigable Waters Protection Act.

Motion agreed to and bill read the first time.

INDIANS AFFAIRS

ST. REGIS INDIANS—REQUEST FOR MEETING WITH MINISTER

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the Minister of Indian Affairs and Northern Development, who was in the house to table a report, but perhaps he really was not supposed to be here today.

Mr. Trudeau: I will check.

Mr. Stanfield: Since he is not here now I will ask the Prime Minister whether he will undertake to have the Minister of Indian Affairs and Northern Development or the Minister without Portfolio from Port Arthur meet again with the people of the St. Regis reserve to seek a satisfactory agreement concerning their rights.

Now that the minister is in his place I will direct the question to him. Would he give the house an assurance that either he or the Minister without Portfolio from Port Arthur will meet promptly with the people of the St. Regis reserve to work out a satisfactory agreement with regard to their rights?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I received a delegation of the people of the St. Regis reserve this week on the eve of their demonstration. I assured them that I was giving attention to the problem, and I

immediately got in touch with the Department of National Revenue in order to find a solution to their problem. I talked to the Postmaster General (Mr. Kierans) who is at the moment Acting Minister of National Revenue and I think that, in the next few days, we will find a solution acceptable to the Indians of the St. Regis reserve.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, may I ask the Minister of Indian Affairs and Northern Development what his two colleagues, the Postmaster General and the Minister of National Revenue, have to do with the fact that the Canadian government expropriated land from these people some 12 years ago and has not yet had the courtesy to try to reach an agreement. I should also like to ask the minister whether he would include that in the discussions.

[*Translation*]

Mr. Chrétien: Mr. Speaker, this question has already been discussed. These problems involve the St. Lawrence Seaway Authority and a certain group of the St. Regis band. If the rights of this group are legitimate and if it intends to assert them, they can go before the courts which, I am sure, will bring in a favorable decision if these rights are valid.

[*English*]

Mr. Peters: That is a fine way to protect the Indians.

Mr. Stanfield: I should like to ask the Minister of Indian Affairs and Northern Development whether the Postmaster General is determining policy with regard to Indian affairs as well as external relations.

[*Translation*]

Mr. Chrétien: Mr. Speaker, my colleague the honourable Postmaster General, is always ready to co-operate. I consulted him with regard to this matter because he was Acting Minister of National Revenue.

[*English*]

[*Later:*]

Mr. Howard: Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. Is he aware that today, right at this moment, there are in Ottawa some members of the Caughnawaga Indian reserve, and they will be joined later by people from the St. Regis reserve, who desire a meeting with the minister to talk about the declaration yesterday by the mayor of Cornwall that he had annexed Cornwall Island and it was no longer an Indian reserve? Is the minister prepared to meet with these gentlemen?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not aware of any people having requested to see me, but in that case, I will gladly see them this afternoon if they wish. I may add that the decision to annex to the town of Cornwall part of the reserve of that area was taken by the provincial authorities of Ontario.

[*English*]

CONSUMER AFFAIRS

CONSIDERATION OF WHITE PAPER ON PRICE STABILITY

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. Is the white paper which he tabled today to be referred to any committee of parliament, or is it the intention of the government to set up the bodies indicated in it without such prior study by a committee?

Hon. Ron. Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my intention during the course of January and early February to consult further with the provincial premiers and with business and labour groups in the country. The government would then be in a position to act on the white paper and prepare an order in council establishing the commission. It will of course be necessary to establish the committee that is mentioned in the white paper, and the motion to establish the committee would be debatable in this house.

Mr. Lewis: Mr. Speaker, perhaps you would permit me to state what I was trying to get at. Obviously, if it wishes the government can produce legislation to set up the commission, or it can have the policy indicated in the white paper studied by a committee of parliament. I should like to ask whether that possibility is definitely abandoned so that industry and labour will not be asked to appear before a committee of parliament in advance of the implementation by the government of the policy indicated in the white paper.

Mr. Basford: It is my intention to consult with industry and labour.

Mr. Lewis: Could the minister inform the house in that case whether he has given consideration to the personnel of the proposed commission and, if so, who that personnel might be.

Mr. Basford: I have given consideration to it, but the government has arrived at no final conclusions. The hon. member will notice that paragraph 62 really is a want ad, in which I am appealing to people of ability to be prepared to come forward and serve on the commission or on its research staff.

GRAIN

REQUEST FOR STATEMENT ON RECENT DEVELOPMENTS

On the orders of the day:

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I have a question for the Minister of Agriculture. In view of his recent consultations with the minister of agriculture from Saskatchewan and officials of the Saskatchewan Wheat Pool can the minister report on any recent developments in respect of the damp grain problem in western Canada.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I had some very useful discussions with officials of the Saskatchewan wheat pool and two ministers from the Saskatchewan government yesterday and this morning. In addition to what has been done by way of increasing cash advances, thereby making money available to the farmers to do their drying, we are considering other ways that might be helpful in making sure that no one will be denied the financial capability of having his grain dried if he chooses to do so.

Right Hon. J. G. Diefenbaker (Prince Albert): In view of the representations made in a letter, among others, from the Saskatchewan wheat pool, may I ask the Minister of Agriculture whether the government will give immediate consideration to assistance to producers by way of a direct grant for drying farm stored grain, in view of the fact that there is an emergent situation which the minister recognizes. Would this recommendation not be of considerable help, and will the government accept this recommendation which seems to be so feasible and reasonable?

Mr. Olson: The government has already taken several steps to be helpful in this situation. All I can do is repeat that it is the government's intention to take whatever additional steps may be needed to be helpful so that no one will be denied the financial resources to dry his grain if he chooses to do so.

Mr. Diefenbaker: Would the minister answer a simple question? Is the government giving consideration to making direct grants to cover the cash costs of drying farm stored grain? That is what the farmers want to know. They don't want generalities.

Mr. Olson: Mr. Speaker, members of the government have considered all of the alternative proposals that have been advanced and when we are ready to make an announcement that will be done.

Mr. Diefenbaker: That was said two months ago.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce. Is the Canadian Wheat Board investigating the possibility of securing the use of drying facilities at Duluth, Minnesota, to assist in relieving the tough and damp grain situation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I remember that they looked at that possibility a few weeks ago but, if I recall correctly, there were also some difficulties.

Yesterday, Mr. Speaker, the Minister of Agriculture was asked a question about the possibility of using ships on the great lakes to store grain during the winter. I am happy to report that arrangements have been made for five vessels to store grain at the lakehead. They will store about 3.4 million bushels. This is the largest quantity of grain ever stored in this manner and represents the maximum quantity having regard to availability of berths and the safety of vessels.

Mr. Mazankowski: As a further supplementary question, Mr. Speaker, may I ask whether the wheat board in fact is endeavouring to secure permission to use the drying facilities at Duluth which can process approximately three million bushels per month?

Mr. Pepin: I will have to check into more recent attempts which might have been made in this regard and I will report to the hon. member personally due to obvious circumstances.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade

and Commerce. Is it not correct that over six million bushels were stored in freighters at the lakehead last winter, and can he advise why an equivalent or larger amount could not be stored in this manner this winter?

Mr. Speaker: I suggest that the question as asked by the hon. member is argumentative.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my supplementary question is also directed to the Minister of Industry, Trade and Commerce. It has to do with the disparity between the supply of box cars provided by the C.N.R. and the C.P.R. in southern Saskatchewan. I understand a report has been made that in the northern portion, serviced by the C.P.R., it has been possible to get rid of one and two bushel quotas while the same does not apply to those points serviced by the C.N.R. in southern Saskatchewan. Will the minister investigate the reason for this disparity?

Mr. Pepin: Mr. Speaker, I will investigate, but this may be part of the general problem of transportation that I have mentioned a number of times in the house. For example, recently we have had ships waiting to load at Vancouver. The reason for this involved unloading difficulties in that port. Measures have been taken to correct the situation. Now that the lakehead is going to be closed soon transportation of dry grain is being orientated toward Vancouver. My department keeps in touch with these problems in co-operation with the wheat board which is trying to synchronize the movement of box cars in the most efficient possible way.

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a supplementary question to the minister. During the holiday season will he discuss the matter of box cars with the railroads and the wheat board in view of the urgent necessity of getting as many Canadian railroad cars back from the United States as is possible?

Mr. Pepin: I will do that, Mr. Speaker. Another announcement I could make is that the Minister of Labour has now waived the application of the Labour Code in order to make it possible to dry grain on a seven day a week, 24-hour day basis at the lakehead.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I wish to direct a related question to the Minister of Agriculture. Can the minister say whether arrangements have been made for him to meet with officials of the grain trade and of the government of the province of Manitoba in a meeting of the same kind as he had with the Saskatchewan people?

Mr. Olson: No, Mr. Speaker. To date there has been no request for such a meeting but I understand that officials of the Board of Grain Commissioners and of the Canadian Wheat Board have had many meetings up to this time. If such a request for a meeting comes forward it will certainly be given every consideration.

Mr. Benjamin: As a further supplementary, Mr. Speaker, may I ask the Minister of Agriculture whether the Board of Grain Commissioners or his department have concluded their investigation and will they be permitting the grain companies to instal drying equipment at selected country elevator points?

Mr. Olson: Mr. Speaker, I understand there have been one or two such applications, perhaps not directly, to instal such equipment in these elevators but in conjunction with the operation of these elevators. I would have to get a report in order to be precise on whether they have been approved and, indeed, how many are involved.

FINANCE

INCREASE IN BANK OF CANADA INTEREST RATE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Minister of Finance. The minister is reported to have said recently on television that he had met his problems and solved them. Will he now advise the house of his solution for the increasing lack of confidence in government bonds evidenced in the short term money market where the rate for three months is 6.1 per cent and 6.3 per cent on money bills?

Mr. Speaker: Order.

Hon. E. J. Benson (Minister of Finance): They have been listening to you.

Mr. Lambert (Edmonton West): I quite agree with the minister but would he advise the house whether one of his solutions was to agree to an increase in the bank rate, or was this action taken independently by the Bank of Canada to counter government actions in other sectors of the economy?

Mr. Benson: Mr. Speaker, the decision to raise the bank rate was, of course, made by the governor of the Bank of Canada. Before he made his announcement he consulted with me and I agreed in principle with what he was doing. The great thing we have to fight in Canada today is inflation. This is one way of doing it. Beyond that, Mr. Speaker, the bank rate in the United States was raised on the same day, which necessitated an increase in the Canadian rate.

Hon. George Hees (Prince Edward-Hastings): As a supplementary question, Mr. Speaker, if the action taken with regard to the bank rate was taken solely at the instigation of the governor of the Bank of Canada why was it that the minister cited it so proudly as a government action to fight inflation in his answer to my question the other day?

Mr. Benson: You ought to listen—

Mr. Speaker: Order.

BILINGUALISM AND BICULTURALISM

POLICE INVESTIGATION INTO LEAKS OF COMMISSION REPORTS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. It has to do with the investigation of the publication of alleged parts of the report of the commission on bilingualism and biculturalism. Will the government ensure that the principle of the confidential nature of journalistic sources is protected during the rest of the current investigation?

Right Hon. P.-E. Trudeau (Prime Minister): The confidential nature of what?

Mr. Fairweather: Of sources journalists have for gathering information. It is a well known principle.

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

Mr. Fairweather: May I have an answer to my question?

OIL

TASK FORCE TO STUDY NORTHERN DEVELOPMENT

On the orders of the day:

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, I wish to direct a question to the Acting Minister of Energy, Mines and Resources. Can the minister confirm recent press reports that a task force has been or is to be created to study northern oil development?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): Yes, I can confirm that, Mr. Speaker. The core of the task force consists of the deputy minister of energy, mines and resources, the chairman of the National Energy Board, and the deputy minister of Indian Affairs and Northern Development. This is a governmental task force and its purpose will be to bring together all information on the existing oil situation in the north, on transportation routes that might be used, and to co-ordinate all available information, from all federal agencies and departments, and then report and make proposals to the government.

Mr. Mahoney: As a supplementary question, has Canada been asked to participate with the United States in a study on the means of transporting oil from the Arctic to market?

Mr. Pepin: No formal requests have been made to this effect but informal consultation has taken place between members of the federal administration and the companies involved. If we should receive a formal request we would be pleased to co-operate.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the fact that the minister has now accepted the suggestion which we on this side of the house have made for several weeks to set up this study, will the study group be looking into the question of setting out or trying to arrange a new oil policy by agreement and discussion with the United States? Further, after the task force has completed its work will the minister accept our suggestion that a group of members of parliament and senators representing all parties go to Washington to discuss the matter and make an arrangement?

Mr. Pepin: To answer the last question first, Mr. Speaker, this would be the worst possible thing to do, but this is only a personal opinion. I have read the recommendations made by the Independent Petroleum Association of Canada. Their recommendations are based on a number of assumptions. The north may be the greatest place for oil in the world. It may revolutionize distribution and marketing in North America. This is the kind of assumption we are going to check.

Inquiries of the Ministry

SHIPPING

EXPERIMENTS WITH NEW ICEBREAKING EQUIPMENT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a further supplementary question for the Minister of Transport. In view of the importance of transportation in this regard, would the government consider supplying some financial assistance in the planned use of the Alexbow on a voyage into the port of Churchill this winter?

TRANSPORT

REMOVAL OF WHARFAGE CHARGES ON FISHING VESSELS

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Transport. In view of the economic problems facing the fishing industry and the fishermen, has the government considered removing the charges levied for boats tying up at government wharves?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this question has been considered on many occasions. The responsible minister has made representations on behalf of the fishing industry. It is very difficult to arrive at a policy that is universal in its application and at the same time provides encouragement to those engaged in this industry. But I can assure the hon. member that we have an open mind on the subject and will continue to review it.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a question for the Minister of Transport. On October 30 my notice of motion No. 12, regarding the production of papers in relation to the federal-provincial development of Roberts Bank port-related rail links, was agreed to by the house. Since we have heard a great deal about efficiency here recently, I wonder when these papers will be delivered to me.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I say this without having seen the confirmation, but I understand they are ready. The member of the staff directly involved has had the flu for the last couple of days. I hope there will be no further delay in making them available to my hon. friend.

[Mr. Pepin.]

Mrs. Grace MacInnis (Vancouver-Kingsway): A supplementary question, Mr. Speaker. Does this apply to my motion No. 17 too?

Mr. Hellyer: I do not know, Mr. Speaker.

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker, while we are in this field. Could the Minister of Transport report on the status of the report on jurisdiction at Roberts Bank? On December 6 the minister said it would be tabled not later than the following week. I refer to the report on which government, federal or provincial, has jurisdiction in regard to the Roberts Bank development.

Mr. Hellyer: Mr. Speaker, is my hon. friend referring to the opinion that was sought at that time? If that is the case, it is now ready. I refer to the opinion asked of the deputy attorney general.

Mr. Nowlan: A supplementary question, Mr. Speaker. My question of December 6 was directed specifically to the report defining the division of jurisdiction between the two governments. I asked whether the minister could table the report and he replied that he had it and it would be tabled the following week. I am not sure whether it is the opinion or the report defining jurisdiction as between the federal and provincial governments with regard to Roberts Bank. If it is ready, could it be tabled so that we can read it during the Christmas recess, if we have one?

Mr. Hellyer: Mr. Speaker, I join my hon. friend in being a bit at a loss, because there is no report that I know of. I am afraid there may have been a little misunderstanding. The only thing that comes close to that is an opinion asked of the deputy attorney general. I would be glad to inquire into the subject and discuss it with my hon. friend.

Mr. Nowlan: Regardless of what it is, Mr. Speaker, the minister agreed on December 6 to table it. I wonder whether he is prepared to do that.

Mr. Speaker: Order, please. I wonder whether there might be an understanding between the minister and the hon. member as to what it is that should be tabled.

Mr. Rose: A supplementary question, Mr. Speaker. I have listened with interest to this exchange. What is lacking in both the answer given to the hon. member for Annapolis Valley and the answer given to me is specifically when. Could the minister enlighten us in this respect?

Mr. Speaker: Order, please. There also appears to be difficulty about what.

Some hon. Members: Hear, hear.

Mr. Speaker: While the matter is being considered by all concerned, we might go on to another matter.

[*Later:*]

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker. My point of order relates to a question asked by the hon. member for Annapolis Valley of the Minister of Transport in connection with the tabling of a report. Some confusion arose, including confusion in the mind of the Chair, as to what was being requested when the minister replied that he had no such report. I refer to the fact that on December 6, in answer to a question from the same hon. member, the minister said that this report had been received and would be tabled not later than the following week.

Further, in order to clear up the minister's confusion—perhaps his confusion could be better cleared up by more frequent attendance and by better attention to his work here in the house.

Mr. Speaker: Order.

Mr. MacInnis (Cape Breton-East Richmond): I should like to call the attention of the minister to the actual report to which the hon. member was referring. On October 16, 1968 the minister stated, as reported on page 1211 of *Hansard*:

—we in the department have undertaken studies—

That was in connection with port jurisdiction. He went on to say that he expected the report would be ready for consideration by the end of November. We all realize that when members ask questions in the house they are not necessarily entitled to answers. However, when information is given by any minister with regard to a report, or in connection with any other request, at least he should have the ability to keep himself informed as to what is going on in his department.

Mr. Hellyer: On the same point of order, Mr. Speaker, the mystery is now cleared up and I want to thank the hon. member for looking up these references for me. I tabled this report earlier today.

Mr. MacInnis (Cape Breton-East Richmond): Now that the minister has found his feet and has said that he tabled this report, he only emphasizes the fact that he does not know what is going on.

Inquiries of the Ministry

TRADE

SHIPMENT OF MINK AND NUTRIA TO RUSSIA

On the orders of the day:

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I have a question for the minister of trade and commerce. Can the minister say whether Canadian mink and nutria farms have any trading arrangements with the Soviet union, and can he confirm whether a large Christmas shipment of live mink and nutria destined for the Soviet union was loaded aboard a Soviet air liner last night at Toronto international airport under what is alleged to have been a very tight security guard?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, I can confirm that this shipment took place. I cannot see at the moment what is wrong about it. This is regular trade. I am sure my hon. friend agrees with that. I am checking to see whether there was something irregular in the way the minks were treated or something of that kind that would be offensive to ethics.

FARM MACHINERY

IMPROVED SAFETY FEATURES—REPORT OF COMMISSION

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister state whether he is taking immediate steps to implement the recommendations of the first report of the Barber commission on farm machinery safety?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. As I answered yesterday, I believe it was, we at least need some time to study the report. I do not think it is right to call it a report of the commission; I think it was one of the study papers that was released.

Mr. Yewchuk: A supplementary question, Mr. Speaker. This first report was published because the recommendations were of some urgency in view of many farm deaths which have occurred owing to a lack of safety features in farm machinery. For this reason immediate steps are necessary in this respect. Does the minister agree with this?

Inquiries of the Ministry

TRANSPORT

ORGANIZATION OF CONTAINER TRAFFIC IN ATLANTIC PORT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. In keeping with the loveable holiday mood, I sent him a carefully worded notice of the question. Because of the serious impact of containerization on eastern Canadian ports and the lack of government responsibility in this regard, can the minister give us an up to date report on the matter before the recess? Can he tell us what progress has been made within his sphere of responsibility?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I understand that some time today it is likely that Clarke Traffic Services and/or the National Harbours Board will be making an announcement with respect to this question. The harbours board has been scrupulously careful in offering to Clarke Traffic Services equality of treatment between the two ports of Saint John and Halifax. It was therefore left up to the company itself to choose between them on the basis of other considerations outside of the actual provision of the dock facilities themselves.

I must say that at this moment I do not know which one of these two ports the company has decided to use, but I imagine they will have that decision in their announcement when it is made. All I can say is that the harbours board has co-operated in making facilities available at either port and is quite prepared to provide additional facilities in the years ahead as required.

Mr. J. M. Forrestall (Dartmouth-Halifax East): I have a supplementary question, Mr. Speaker, with regard to two points in these negotiations. First, were exclusive rights given for the container facilities either at Halifax or Saint John and, second, has the minister's department or the National Harbours Board had inquiries from any other consortium or syndicate with shipping interests in the north Atlantic about the use of container facilities in these two ports or from groups other than Clarke Traffic Services Ltd?

Mr. Hellyer: I understand the new terminal will be a public one and available to other steamship lines irrespective of which port is chosen. In answer to the second question, I imagine there have been general inquiries made but none as precise or as serious as this one—in other words, none which got to the stage of actual negotiations with a contract in view.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. I am not asking the Minister of Transport to disclose anything but can he tell the house whether Clarke Traffic Services Ltd. has been able to make a decision with regard to either port?

Mr. Hellyer: I understand they have made a decision but have been pretty careful not to tell anybody what it is, at least until this morning. In speaking to the National Harbours Board early this morning I was informed by them merely that they expected to reach some agreement today on the basis of the port which has been chosen by the Clarke company and that a release would be made immediately thereafter.

Mr. Robert McCleave (Halifax-East Hants): I have a supplementary question, Mr. Speaker. May I ask the Minister of Transport to ensure that the next phase of the south end pier development in Halifax, on which tenders closed a few weeks ago, will be processed as rapidly as possible?

Mr. Hellyer: Yes, Mr. Speaker, as quickly as it would seem advisable under the circumstances.

Mr. Forrestall: I have a final supplementary question for the minister. In view of the disappointment which may come to either my hon. friend from Saint John or myself, is the minister now able to assure as that the decision will in no way interfere with the plans of the National Harbours Board or the Department of Transport to proceed with the construction of container facilities at both ports?

Mr. Hellyer: I do not think there would be sufficient traffic to justify the acquisition of a crane at both ports at this time. Therefore it would seem reasonable to provide the facilities where they are immediately required. As I indicated a moment or two ago, if and when there is sufficient traffic to justify additional facilities at either or both ports the National Harbours Board will be in a position to provide them.

FISHERIES

U.S. RULING ON USE OF TRADE NAME "GREENLAND HALIBUT"

On the orders of the day:

Mr. Douglas A. Hogarth (New Westminster): Mr. Speaker, I have a question for the

Minister of Fisheries. In view of the announcement today by the United States government that the use of the trade name "Greenland halibut" will henceforth be prohibited in the United States, what immediate action does the Canadian government propose to take in this regard?

Mr. Speaker: Order, please. I will allow the question, of course, but I should like to bring to the attention of hon. members my opinion that a number of questions asked today might normally have been placed on the order paper. However, this is not suggested to hon. members because of the recess which may come to us later today or at some time.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the answer to that question is that the government will shortly be issuing an order requiring the Canadian fish processing and packaging plants to label this species of fish "Greenland turbot". The main reason for this is that over 90 per cent of the production does go to the United States and the decision handed down today, to be made effective 90 days from now, dictates the trade name to be used in sales there.

[*Translation*]

SPORTS

HOCKEY—EUROPEAN TOUR BY VICTORIAVILLE TIGERS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the right honourable Prime Minister and even if I am out of order, I should like to take a minute of the question period to point out the fact that we have the privilege—

Mr. Speaker: Order. Would the hon. member resume his seat.

I must remind him that there are only a few minutes left before the end of the question period and that the minute he is taking is a minute that he takes away from his colleagues who might have important questions to ask.

Mr. Fortin: Then, Mr. Speaker, I am asking my question immediately.

Is the right hon. Prime Minister aware that we have the honour of receiving a Canadian hockey team, the "Tigers" of Victoriaville, who won the Allan cup for 1967-68, and who will be going to Europe soon, that is on December 25, to represent Canada.

I wonder if the right hon. Prime Minister is aware of this and if he intends to send them his best wishes in their endeavour to bring back the senior world hockey cup, that is the "Bunny Ahearne Trophy"?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I must say that I hardly understand that question, but I shall read it in *Hansard* and take any action deemed necessary.

[*English*]

AIRPORTS

RESTRICTION OF HOUSING DEVELOPMENTS BECAUSE OF NOISE FACTOR

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I too have a question for the hard-pressed Minister of Transport this morning. I listened with interest to the announcement by the minister today relative to his department's plans for the development of new airport facilities in Toronto. In view of the noise factor created by new and larger aircraft, what steps is the minister taking to restrict housing developments adjacent to other existing Canadian airports, for example, the one which serves this very city of Ottawa?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this is one of those large problems which involve several jurisdictions of government. The zoning of land in the ordinary sense is within the jurisdictions of the provincial and municipal governments. We are therefore having conversations with them to see what kind of co-operation is possible to protect the future viability of our existing airports. This is precisely the problem that we have just been talking about and discussing in respect of the Toronto international airport. It will require either a considerable degree of co-operation on the part of municipal and provincial governments to protect existing airports or some change in policy on the part of the federal government which would involve the accumulation of much larger areas of land and some land management in respect thereto.

HOUSING

REPORTED INTENTION TO INCREASE MORTGAGE INTEREST RATES

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Transport. It was announced today that the interest rate on N.H.A. mortgage is going to reach an all-time high of 9.25 per cent. I wonder whether the minister

would consider taking immediate action in that regard before his task force reports?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, although it will probably bring big red headlines when the announcement is made, it should be recalled that this is a statutory limitation and there is no requirement for lenders to charge that much money for N.H.A. mortgages. Indeed, at the present time they are making loans below the limit. I personally believe that the present rate is a sustainable one and I hope there will be no increase in the effective rate to borrowers, notwithstanding the increase in the ceiling.

Mr. Broadbent: I have a supplementary question, Mr. Speaker. Is the minister seriously suggesting that the government is in no position to do anything about it but—

Mr. Speaker: Order, please.

COMMUNICATIONS

INQUIRY AS TO OBSERVERS AT U.S. SATELLITE LAUNCHING

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question with an international flavour for the minister in charge of communications. Can he advise whether anyone in his department concerned with planning for domestic satellites was given the opportunity of on-site observation of the launching of the latest "intelsat" satellite in the United States, and to what extent such an opportunity was utilized?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I have no particular information on that but I will get it.

PUBLIC SERVICE

ANNOUNCEMENT OF HOLIDAY ON BOXING DAY

On the orders of the day:

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, my question is for the President of the Treasury Board. Could the minister advise the house whether arrangements have been completed to grant a holiday to the public service on Boxing day?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the answer to that is yes, and an announcement has been made. Boxing day will be a holiday generally for all those in the public service other than members of bargaining units which have not sought nor secured in their agreements to have Boxing day as a holiday.

[Mr. Broadbent.]

IMMIGRATION

CANADIAN POLICY ON ASYLUM FOR REFUGEES

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the forthcoming hearings involving the Polish seamen now in Halifax, has the government communicated to the immigration appeal board its policy concerning Canadian asylum for people from communist countries?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): No, Mr. Speaker, the board is empowered under the law to deal with this matter. I think it would be an unwarranted interference for me or any member of the government to communicate with them on this point.

Mr. McCleave: A supplementary question, Mr. Speaker. If it is government policy, and we have been told by the present and former Prime Ministers that it is, surely this statement should be before the board to help it in its decisions. This is what I was asking of the minister, not to interfere but to place that general statement before the board.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): May I ask a supplementary question, Mr. Speaker? May I ask the Minister of Manpower and Immigration whether his representative before the immigration appeal board will take government policy into consideration?

Mr. MacEachen: Yes, Mr. Speaker, I give my hon. friend that assurance.

Mr. Speaker: There are just a few seconds remaining in the question period, and perhaps the hon. member might allow two or three quick questions.

Mr. Forrestall: The lives of nine men are fairly important too, Mr. Speaker.

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

Mr. Forrestall: No, I will pass it along.

FINANCE

REQUEST FOR POLICY STATEMENT ON TAXATION COMMISSION REPORT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the parliamentary secretary to the Minister of

Finance. Is he in a position today to reply to the question I posed to him yesterday and of which he took notice?

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): I regret, Mr. Speaker, that I am not in that position. As the house knows, the minister was involved throughout yesterday with the federal-provincial finance ministers' conference. He has been here earlier today but I have not yet had an opportunity to consult with him. However, I will pursue the matter for my hon. friend.

PARLIAMENT HILL

REPORTED ATTEMPT TO EXTINGUISH CENTENNIAL FLAME

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask what I consider to be a rather urgent question of the minister who is replacing the Solicitor General who is in charge of the Royal Canadian Mounted Police. Is he aware that attempts may be made later today, if one has not already been made, as a mark of protest by a group which has a substantial complaint against government action, to snuff out the centennial flame on parliament hill? Are any protective measures being taken?

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should have liked to put my question to the Minister of Finance, but since he has just left the house I will put it to his parliamentary secretary.

As the result of the failure of the federal-provincial conference of the Ministers of Finance, can we be assured that Quebec will receive the equivalent, in dollars, to the tons of wheat which have just been rejected by the Ivory Coast?

[*English*]

Mr. Speaker: Order, please. Pursuant to an order made by the house earlier this day I now leave the Chair to resume at the call of the bells.

SITTING SUSPENDED

At 12.40 p.m. the sitting of the house was suspended during pleasure.

SITTING RESUMED

The house resumed at 4.45 p.m.

PROCEDURE

STATEMENT FOLLOWING DISCUSSION AMONG HOUSE LEADERS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I wonder whether I could have leave of the house to revert to motions for the purpose of making a statement.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, I should like to make a statement to the house on the outcome of the very helpful discussions that have taken place among the representatives of the parties. The course of action that we should like to suggest to the house is that the proposed 16-A provisions be deleted from the fourth report of the special committee, and that thereafter the house be asked to decide today whether or not to adopt the remaining sections of that report, and then the consequential fifth report of the special committee on procedure. We believe that this would meet with approval in all quarters of the house.

To achieve these results I understand that the Leader of the Opposition (Mr. Stanfield) is prepared to agree to the withdrawal of his motion for an amendment to the motion for concurrence in the fourth report. A new amendment would then be offered excluding the proposed standing order 16-A from the motion for concurrence. The question on this amendment and on the main motion would be decided today by the house. If the main motion on the fourth report is carried, concurrence in the fifth report would be moved. We have also agreed on the text of a motion to refer the question of the allocation of time to the new standing committee on procedure and organization, and that motion will be put forward for decision today.

The recommendations of the fourth and fifth reports, if adopted by the house, will make major changes in the way this house deals with the business of supply and the examination of public bills. During the course of the debate considerable uneasiness was expressed in various quarters about the suitability of our standing committee system as it now exists to perform the heavy tasks to be assigned to it.

For this reason, it has been agreed that after the new standing committee on procedure and organization has been established, in addition to its general reference and the directive to review generally the effects of the various procedural changes, that committee will be given a specific direction to keep under close observation the operation of the standing committees.

The focus of this observation will be concentrated on four points. The first of these will be the way the standing committees are studying the estimates. The second will be the possibility of making the position of standing committee chairmen somewhat more comparable to that of the chairman of the committees of the whole house. The third will be the matter of ministerial attendance at the meetings of the standing committees. The fourth point will be the need to make available stronger and more extensive support facilities of various kinds to the standing committees. As I said, a motion embodying that instruction will be made when the new standing committee on procedure and organization has been established.

Before taking my seat perhaps I can say a few words of appreciation to members on all sides of the house, particularly to my colleagues the house leaders. I think it can be agreed that we are now engaged in an historic change in the rules of the house, but that in the process we have had an historic debate on the subject. I think it can also be agreed generally that the debate has brought forward with greater clarity the principal issues in our parliamentary system.

Equally I do not think there can be any doubt that the result of our deliberations and the strenuous opinions that were shared across the floor will in the long run make for a better and more effective system. Therefore I should like to express my thanks to all hon. members, and especially to those with whom I have had the privilege of conducting these discussions.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should just like to take the time of the house to make two or three points. If I make them rather firmly it is not from the point of view of being combative but simply from the point of view of making certain that we are removing any possible misunderstanding.

First of all, I would make it very clear that, as I understand it, rule 16-A is not being referred back to committee under the conditions outlined by the Minister of Manpower yesterday, but rather under very much broader terms of consideration. Yesterday the Minister of Manpower indicated that the government would be prepared to give instructions to the committee to consider the proposal made by the Minister of Agriculture (Mr. Olson), which was to take a look at the British system. "We shall give it that kind of latitude," said the minister.

I want to make it very clear that this rule is being sent back to the committee under much broader bounds of latitude than that, including instructions to the committee, among other things, to consider suggestions I made in the course of the debate. I want to make it perfectly clear that we are not agreeing to this section of the report going back to committee within the bounds of latitude outlined by the Minister of Manpower, but rather under the much broader bounds of latitude set out in the motion that the house leader of the government will, I presume, present in due course.

Secondly, we have opposed the power sought by the government party in the house under proposed rule 16-A, and we believe that the country has rejected it as unnecessary and improper. We have accepted in a spirit of co-operation the other rules put forward, though we did have considerable reservations about a number of them, in order to try to make this parliament work more effectively.

Although I do not believe that this would happen, if the special committee, dominated as it must be by a majority of government supporters in the house—and I repeat, I am not suggesting that this will happen—were to bring back a recommendation which was something like 16-A, then we would regard this majority of the house—and I say this very frankly—as being guilty of bad faith. Let there be no mistake about the vigour with which we in this party would react to any such proposal.

I do not say that to be provocative; I say it simply so that there is no misunderstanding. If the rules are to work, they must work through co-operation and good faith. We believe we have given ample evidence of our desire to co-operate, and have shown our good faith in accepting the other rules proposed to the house, despite our considerable reservations. We, and I think the country, sir, will judge the good faith of the government in its desire to co-operate by the manner in which the special committee will now

respond to the debate that has taken place in the house when that committee gets down to consider its business. The undertaking of a project such as we are considering in a parliament like this is never easy.

• (4:50 p.m.)

May I take this occasion to express my thanks to my colleagues in my own party for their understanding and patience. I wish to thank especially the members in my party who served on the special standing committee that brought forth these recommendations. If I may say so, I should like to express my particular appreciation to my house leader, who has borne a very heavy responsibility and burden in this matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am happy on behalf of this party to confirm the understanding that has been indicated this afternoon by the government house leader. We might almost say that the notes from which he read represent an agreed communiqué which came out of the last meeting of the house leaders. I should also like to join with both hon. members who have preceded me in drawing attention—and I do not think we err in doing this sort of thing too often—to the value of parliamentary debate, which has been proven once again during these past two weeks.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I think I may be forgiven for saying that it is a good thing this debate was not conducted under the limitations of the proposed rule 16-A. If it had, it would have been settled long ago and in an unsatisfactory manner. On the other hand, as a result of free debate in this house, of free negotiations among the representatives of the parties and free discussions within party caucuses, we have arrived at a settlement which I believe will be satisfactory to all and will be good for parliament as a whole.

As everyone knows, two main issues concerned us in the debate of the past two weeks. One of them was of supreme importance to all of us, though the other was also an important issue. Those two issues were the proposed standing order 16-A and the matter of the handling of estimates by parliament. With regard to the proposed rule 16-A, the solution that has been arrived at I believe is crystal clear and I appreciate the way in which the Leader of the Opposition has underlined it. Maybe we are talking about a difference in terminology, but there is meaning to the words we choose. We are not just referring back the proposed rule 16-A out of this report to an old committee. Rather, we are expunging rule 16-A from the fourth report. That rule is finished. Later there will be a motion to refer to the incoming committee on procedure and organization on the subject of the allocation of the time of the house. Certain guide lines will be agreed upon for that committee and they will be broad enough, I am sure, to permit that kind of free negotiation and free discussion which the Leader of the Opposition said would be essential. I can assure all members of the house that when that new committee is established the representative of this party will insist that the discussions and negotiations be free, that there be no attempt to bring back the old proposed rule 16-A that was expunged, and that any recommendation brought back is one that can be agreed upon by all parties in this House of Commons.

We are glad to have achieved this resolution of the problem created by proposed rule 16-A. It was obnoxious for many of us; it was looked upon with disfavour by a large section of the press and other media as well as by the public, and I think parliament has done itself proud to solve the matter in this way. Since it is almost Christmas and since congratulations are being handed around perhaps I may be pardoned for saying that we might even congratulate the government on being willing to take the otherwise unpleasant steps which were necessary so that this agreement could be arrived at.

The other point, Mr. Speaker, was the question of supply. While we, in this party, did not put as much emphasis on that question as we did on the question of rule 16-A, we grew more uneasy about it as time went on. The proposal that is now being made is that we should put into operation the new proposals regarding supply, send the estimates to standing committee, and so on. We have agreed that any review that might take place with regard to that process should not be left until we sit next session, but should be a current review, beginning early in 1969. The government house leader has pointed out that this review will take into account such things as ministerial attendance, the facilities that are available, the job done by the chairmen, and so on.

An hon. Member: And the staff.

Mr. Knowles (Winnipeg North Centre): We think that this kind of review of the processes

of this place is very necessary, and good for the Canadian people and for the members of parliament.

I may say that there are one or two things in the fourth report and one or two things in the fifth report that did concern me. If debate had gone on we would have raised those matters on the floor of the house. I will not mention them now, but will simply say that, now we have been given this guarantee of a review, I feel sure that, if there are things that do not work out as we had hoped they would, we shall have a chance to bring them up, either here or in committee, and perhaps have them acted on.

All told, this has been a good two weeks in the life of parliament and I think we have come to a good resolution of the difficulty. I believe we will be able to begin our work in 1969 with a set of rules that will be helpful to us. I should like to join with others who have spoken in thanking those who have helped us. I appreciate particularly the support and tremendous interest of all members of this party in this whole problem. It has been a pleasure to work with the other house leaders and the members of the committee. It was not always easy to say that. There were one or two nights when it was no pleasure at all. Now that we have resolved the difficulty in a parliamentary fashion it is a pleasure for me to join with others in expressing this work of approval of what we have now accomplished.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, in my name and on behalf of my colleagues, I am very happy to assure the house that we accept the proposals made by the President of the Privy Council (Mr. Macdonald) about the withdrawal of rule 16A, and we believe that the discussions that took place gave very good results.

We all agree that our procedure must be changed and we believe that all hon. members who took part in the debate these last few days gave their best in order to attain the goal we were all seeking, the streamlining of our parliamentary procedure.

I would also like to congratulate all the members of the committee on procedure, who held 26 sittings, for the wonderful work they did. I hope that the task with which they will be entrusted this afternoon will be carried out satisfactorily and that their work will be as fruitful as anything done until now.

Some hon. Members: Hear, hear.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

MOTION FOR CONCURRENCE IN FOURTH REPORT OF SPECIAL COMMITTEE—WITHDRAWAL OF AMENDMENT

The house resumed, from Thursday, December 19, consideration of the motion of Mr. Blair that the fourth report of the special committee on procedure of the house, presented to the house on Friday, December 6, be concurred in, and the amendment thereto of Mr. Stanfield (p. 3762).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I ask the unanimous consent of the house to withdraw my amendment to the motion.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Some hon. Members: Hear, hear.

Amendment (Mr. Stanfield) withdrawn.

AMENDMENT DELETING FROM MOTION PROVISION RESPECTING RULE 16-A

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I move:

That the motion be amended by inserting therein after the words "Procedure of the House", the words "except the proposal with respect to the proposed Standing Order 16-A."

Mr. Speaker: Shall the amendment carry?

Amendment agreed to.

Mr. Speaker: Shall the motion as amended carry?

Motion as amended agreed to.

• (5:00 p.m.)

Mr. Macdonald (Rosedale): Might we have the consent of the house to revert to routine proceedings so that the hon. member for Grenville-Carleton (Mr. Blair) can move a motion with respect to the fifth report?

Some hon. Members: Agreed.

MOTION FOR CONCURRENCE IN FIFTH REPORT

Mr. D. Gordon Blair (Grenville-Carleton): I have pleasure in moving:

That the fifth report of the standing committee on procedures of the house presented to the house on Friday, December 6, 1968, be concurred in.

Motion agreed to.

INSTRUCTION TO STANDING COMMITTEE RESPECTING ALLOCATION OF TIME

Hon. Donald S. Macdonald (President of the Privy Council): As I indicated in the statement I made on motions, there has been agreement in the house with respect to the reference of the question of the allocation of time to the standing committee on procedure and organization which we just established under the terms of the fifth report.

I would confirm, as the hon. member for Winnipeg North Centre (Mr. Knowles) suggested, that the statement which I made was the agreed statement, and equally that the following proposed motion is also the agreed motion. I must say I did not hear all the remarks made by the Leader of the Opposition, but I would simply confirm that my understanding of the agreement is as stated in both this motion and in my statement. I take it there is no doubt about the fact that these two documents comprise the agreement between both sides of the house.

On this basis, I move:

That the standing committee on procedure and organization be instructed, and hereby is instructed, to consider and to propose ways to allocate time to the legislative business of the house and to include in its report or reports a draft of a proposed standing order drawn to give effect, if adopted by the house, to the proposal of the committee; and for greater certainty but not to restrict the generality of the foregoing, the committee is instructed to consider the British rules and practice for the allocation of time, the suggestions made by the Leader of the Opposition on December 10, 1968, the suggestions made by the Minister of Agriculture on December 13, 1968, and other proposals and suggestions made in the debate on the motion for concurrence in the fourth report of the special committee on procedure.

Motion agreed to.

Mr. Macdonald (Rosedale): Perhaps by way of explanation of my rising at this point I should indicate that in accordance with the report we have just accepted certain resolutions on the order paper preceding the first reading of bills have been expunged from the order paper. I would therefore ask the unanimous consent of the house to go on to the Introduction of Bills stage of routine proceedings for the purpose of introducing certain bills in relation to certain resolutions now appearing as orders Nos. 9, 12, 17, 18, 19 and 20 on the order paper, all of which have been recommended to the house by His Excellency the Governor General.

Mr. Speaker: Is it so agreed?

Some hon. Members: Agreed.

Proposed Legislation

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

Hon. C. M. Drury (for the Minister of Finance) moved for leave to introduce Bill No. C-151, to amend the Fisheries Improvement Loans Act.

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

VETERANS LAND ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs) moved for leave to introduce Bill No. C-152, to amend the Veterans Land Act.

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

HISTORIC SITES AND MONUMENTS ACT

AMENDMENTS RESPECTING BOARD MEMBERSHIP, REMUNERATION, ETC.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill No. C-153, to amend the Historic Sites and Monuments Act.

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

AGRICULTURE

PREVENTION OF INTRODUCTION OR SPREAD OF PLANT PESTS

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill No. C-154, to prevent the introduction or spreading of pests injurious to plants.

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

COMPENSATION FOR CONTAMINATION BY PESTICIDE RESIDUE

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill No. C-155, to provide compensation for farmers whose agricultural products are contaminated by pesticide residue and to provide for appeals from compensation awards.

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

Proposed Legislation

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENTS RESPECTING COMPENSATION, APPEALS, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill C-156, to amend the Animal Contagious Diseases Act.

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

INDIAN AFFAIRS

PROVISION FOR ESTABLISHMENT OF CLAIMS COMMISSION

Mr. Frank Howard (Skeena): I wonder if I might rise on a point of order and ask what happened to resolution No. 32 relating to the Indian Claims Commission? Surely, if the government considers it proper to deal with pesticides, the slaughter of animals and so on, it could deal with a number of other matters which are of more consequence.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to tell the house that, following consultations with various Indian groups, and in view of certain remarks of the hon. member for Skeena (Mr. Howard) during my appearance before the committee, we have referred the bill in question to the committee on health, welfare and social affairs, so that another amendment is made before its introduction in the house. I hope to be in a position to introduce this bill when the house reconvenes in January.

• (5:10 p.m.)

[*English*]

PEST CONTROL

REGULATION OF PRODUCTS USED IN CONTROL PROCEDURE

Hon. Donald S. Macdonald (President of the Privy Council) moved for leave to introduce Bill No. C-157, to regulate products used for the control of pests and the organic functions of plants and animals.

An hon. Member: Is that your caucus bill?

Another hon. Member: That is for New Year's Eve.

Mr. Macdonald (Rosedale): Notice of the introduction of this bill has not been given, but it might accommodate the house if the house would concur in this motion so that it could be printed for hon. members.

[Mr. Olson.]

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

CHRISTMAS RECESS

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

That when the House adjourns at the conclusion of the sitting on Friday, December 20, 1968, it shall stand adjourned until Tuesday, January 14, 1969, at 2.30 p.m.; provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of this order.

Motion agreed to.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the spirit of this house is so good I am sure it is with a bit of nostalgia we will all be leaving, I hope, in a few minutes; but I do not wish that to happen until I have had an opportunity in the name of everyone present to wish each other and all of us a Merry Christmas, bonne et heureuse année, et le paradis à la fin de vos jours.

LABOUR RELATIONS

CANADIAN BROADCASTING CORPORATION—SETTLEMENT OF DISPUTE

Mr. David Lewis (York South): Mr. Speaker, I should like to say, if I may, on a point of order, that I notice the Minister of Labour (Mr. Mackasey) in his seat and I know he has been occupied much of the day in connection with a dispute between NABET and the C.B.C. I wonder whether the minister could inform the house that the dispute has been properly settled, so that we can leave, in respect of that point, with the right Christmas spirit.

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I am very happy to be able to add to the Christmas spirit by saying that five minutes ago both parties involved reached an agreement and have settled their differences. They will now be free to enjoy the festive season.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps I could add my good wishes to those of the Prime Minister and move that we adjourn this day's sitting.

Mr. Speaker: Before I put the motion to the house perhaps I might be allowed to convey to all hon. members a very earnest and enthusiastic invitation to attend the Christmas party given by the independent party caucus in room 16.

Some hon. Members: Hear, hear.

Motion agreed to and the house adjourned at 5.15 p.m.

HOUSE OF COMMONS

Tuesday, January 14, 1969

The house met at 2.30 p.m.

PRIVILEGE

MR. DIEFENBAKER—REMOVAL OF COAT OF ARMS FROM PUBLICATION OF STANDING ORDERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege in connection with the publication of the standing orders of the House of Commons in January, 1969. It will be noted that in a provisional reprint of the rules published in 1966, the coat of arms appeared on the standing orders. In 1967 a further reprint was made, again with the coat of arms thereon. The reprint that has been delivered to members of the House of Commons has had removed therefrom the coat of arms and for it has been substituted the Speaker's chair.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I am amazed to see the degree to which there is approval by members of the cabinet of this surreptitious act. I would ask, because this took place during your absence while visiting India, who made the decision for the removal of the coat of arms? The number of ministers who have applauded would indicate that what was done must have come about through the action of the cabinet; otherwise they would not have been applauding an act that cannot be justified outside parliament. As a member of this house I take the strongest objection to steps being taken by this government, outside parliament and parliamentary decision, to bring about a severance of our traditions. If changes are to be made they must be made by parliament and not by cabinet or by certain cabinet ministers.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This trend has been going on for some time, and I am surprised that it apparently receives the support of the cabinet, if one is to judge by the earlier applause of cabinet ministers. I ask Your Honour to look into this matter, and once and for all put an end to the erosion of our traditions in this country by the actions of a government that will not bring these matters before parliament but act under the table.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, very little needs to be said about this. As you will note, neither I as government house leader nor the government was responsible for the publication of the document. In any event, I can tell the right hon. gentleman and the house that the coat of arms in fact is on the picture. There is a coat of arms on the chair which is portrayed.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): Perhaps Your Honour will note that.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The right hon. member for Prince Albert has raised a question of privilege and the government house leader has made a statement. I consider it my duty to consider the matter raised by the right hon. gentleman.

HOUSE OF COMMONS

MOTION TO INCORPORATE NEW STANDING ORDERS IN JOURNALS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I have a number of motions consequent upon the changes made to the rules of the house. These are primarily for the purpose of accommodating the order paper to the procedural changes. I believe there is general agreement to their acceptance. As my first motion I move:

That the Standing Orders, as amended and reprinted by the House on December 20, 1968, be incorporated in the Journals of the House.

I understand from the table that this is desirable from the standpoint of the records of the house.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I raise something for the sake of clarification. There were a number of amendments made with regard to agricultural bills, and so on and so forth, and the matters were referred quite properly to the agricultural committee. With the greatest respect, as a member of the standing committee on

finance, trade and economic affairs, I am wondering what the thinking was in referring the fisheries improvement loans bill to the finance committee, since we thought it would have been better for the fisheries and forestry committee to deal with this matter. They have greater expertise available to them in dealing with this matter than have the members of the finance, trade and economic affairs committee. I think perhaps that point could be taken up.

Motion agreed to.

• (2:40 p.m.)

MOTION DISCHARGING ORDER FOR COMMITTEE OF SUPPLY

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, consequent upon the changes with respect to the business of supply I would like to move, seconded by Mr. Olson—

—that order numbered (1) appearing under the heading "Government Orders" on this day's order paper, relating to the committee of supply, be discharged.

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

Hon. Marcel Lambert (Edmonton West): Again, Mr. Speaker, is it the intention of the minister to supply continuing items on the order paper in the new form, or is this to be a complete discharge and the removal therefrom of the present item? Otherwise I think it will be a breach of new standing order 58(1).

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member anticipates my next motion.

Motion agreed to.

MOTION TO CONSIDER SUPPLY

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, in accordance with standing order 58, and the proviso attached thereto, I move, seconded by Mr. Olson—

—that this house at its next sitting consider the business of supply.

Motion agreed to.

MOTION DISCHARGING ORDER FOR COMMITTEE OF WAYS AND MEANS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, in connection with the changes with respect to the committee of ways and means I would like to move, seconded by Mr. Olson—

[Mr. Lambert (Edmonton West).]

—that order numbered (2) appearing under the heading "Government Orders" on this day's order paper, relating to the committee of ways and means be discharged.

Further to that perhaps I may say it would be the intention to deposit on the order paper the ways and means resolutions which have yet to be dealt with.

Motion agreed to.

MOTION TO CONTINUE PREPARATION OF COMMITTEE PROCEEDINGS IN BOTH OFFICIAL LANGUAGES

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the house will recall that by provisional order made during the last session it was established on an experimental basis that the proceedings of committees be transcribed and printed in a bilingual form. I understand there has been a general acceptance of the new form, and the motion which I am now going to put before the house is to extend the new form of the committee proceedings for the balance of the current session in the manner in which they were printed in the experimental period. Accordingly I would like to move, seconded by Mr. Olson, —

—that the provisions of the order of the house adopted November 15, 1968, with respect to the reporting, transcription and printing of committee proceedings, be extended and continued for the balance of this session.

Motion agreed to.

MOTION TO WITHDRAW RESOLUTION RESPECTING INDIAN CLAIMS COMMISSION

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, hon. members will have noted that order No. 32 is the only remaining resolution on the order paper of the former resolutions preceding bills involving a charge on the fiscal resources of the treasury. As indicated the bill is now under study by the government as a result of representations received. Therefore it would be in order to withdraw resolution No. 32 standing in the name of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). Accordingly I would like to move, seconded by Mr. Olson,—

—that the order for the consideration in committee of the whole of the following proposed resolution be discharged and the said resolution withdrawn:

"That it is expedient to introduce a measure to provide for the disposition of Indian claims, and

in relation thereto to provide for the establishment of an Indian Claims Commission; to provide for the duties of the commission, its decisions and awards; to provide for appeals from the decisions and awards of the commission to an Indian Claims Appeal Court; to provide assistance to Indian bands in preparing and pursuing claims; and to enact such financial provisions as may be necessary to accomplish the purposes of the act."

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

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I must make the observation that this resolution was placed on the order paper as recently as November 12. Now we have a clear indication that the government in power has no legislation ready. In hoping to remove this order from the order paper the government house leader has given no assurance as to when legislation on this very important subject matter will be introduced. We are therefore being asked to agree to this motion without any assurance that legislation to establish a measure to deal with long standing Indian claims will be dealt with. Certainly there is a clear indication that no legislation was ready at the time the resolution was brought in and certainly none is ready now.

I must protest the resolution being placed on the order paper when in fact no legislation was ready. I believe the house is entitled to some sort of undertaking, that would be forthcoming very shortly, so that this matter will not be let drift, and so that this very important and long standing irritation will not be left to deepen and worsen as it is already a very difficult problem.

In closing I should like to say that since the government is unable to produce legislation that is satisfactory it might be appropriate for the house to proceed under rule 16-A which provides for—

Some hon. Members: Oh, oh.

Mr. Stanfield: I dare say that may have been some kind of Freudian slip; I don't know. It might be appropriate for the house to proceed under rule 68(1) which provides for the introduction of a bill upon motion to appoint a committee to prepare and bring it in. Since the government is unable to produce legislation on this subject, I would suggest that the government bring in a measure to refer the matter to the appropriate standing committee, with instructions that there be consultation with the Indian people and that a bill be brought in for the house to consider.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, if the hon. Leader of the Opposition had paid some attention to the proceedings on the last day before the adjournment, he would have noted that the hon. member for Skeena (Mr. Howard) raised that problem and I gave an answer which seemed satisfactory to him.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, when the Leader of the Opposition rose I was rising to discuss the same point. I disagree with the minister when he suggests that his reply to the question of the hon. member for Skeena (Mr. Howard) was in any sense satisfactory. In view of the new rules, I appreciate, as do my colleagues that there is no place for a resolution which anticipates a money measure. I agree with the Leader of the Opposition, however, that when the President of the Privy Council (Mr. Macdonald) seeks to remove this item from the order paper the government has a duty to inform the house when the legislation will come before the house.

Some hon. Members: Hear, hear.

Mr. Lewis: I have not looked up *Hansard* but I think my memory is correct when I say that the minister who just spoke was unable to give the hon. member for Skeena any date as to when this bill will be before the house, and he has not done so today. I say seriously to the government that they ought now to say to the house when this bill will come before it if ever. If the minister does not want to tie himself down to a date which he might not be able to meet, let him take a date which he will be able to meet.

• (2:50 p.m.)

The members of this house and the Indian community in Canada have a right to know whether the removal of this resolution means that the subject matter is wiped off the order paper of this House of Commons, at least for this session, or whether this is merely a cleaning up affair and that the bill relating to the claims commission will be before the house some time during the next four or five months, and at approximately what date.

I fully support the protest made by the Leader of the Opposition, and there would be no sense in my putting it in my own words. If I may say so, it was put in words that are fully satisfactory to anyone concerned with

this matter and I do not want to repeat what he said. I think the President of the Privy Council, the acting Prime Minister—whoever he may be—or the Minister of Indian Affairs and Northern Development has a duty to tell us approximately when we may expect this bill relating to the Indian claims commission.

If you will permit me before I sit down, I should like to say that it is a matter of great pleasure to welcome the Minister of Energy, Mines and Resources (Mr. Greene) back to the house.

Some hon. Members: Hear, hear.

Mr. Lewis: I should like to express the pleasure I am sure everyone feels, that he is now sufficiently recovered to resume his duties.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to inform the house that I fully agree with the two previous speakers to say that the Minister of Indian Affairs and Northern Development should be able to tell us when he intends to introduce the bill providing for the establishment of the Indian Claims Commission he referred to last December 20.

You will recall that a dispute arose in Cornwall at the end of 1968 and I think that such a bill could prevent further incidents of the same nature. Before accepting the proposal made by the government house leader, we are entitled to request from the minister the assurance that the bill will be introduced as well as details about when it will be introduced.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a few words about this matter. Perhaps before doing that, however, I might associate myself with my leader in welcoming the Minister of Energy, Mines and Resources back to the house, and extend also the same welcome to the hon. member for Parry Sound-Muskoka (Mr. Aiken). I am sure we are all happy to have both of these members back with us.

Several of those who have spoken today referred to the statement made by the Minister of Indian Affairs and Northern Development on December 20, and this prompted me to look up what he actually said. These were his concluding words on that occasion:

> I hope to be in a position to introduce this bill when the house reconvenes in January.

If these words meant anything they meant that the bill was to be introduced today,

[Mr. Lewis.]

January 14. I suggest that the minister does owe to the house a clear statement as to when this bill is going to be placed on the order paper.

[*Translation*]

Mr. Chrétien: Mr. Speaker, in reply to the hon. member, if I have understood the text which I have just read, I said that I hoped to introduce the bill when the session would be resumed in January. I cannot bring it in today, but I can assure the house that the bill will be tabled in the forthcoming weeks, probably before the end of the month.

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, may I draw the attention of the house to the fact that the government is now supporting and substantiating the statement made by the Prime Minister, and is giving us bum answers.

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

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps it might be of assistance to the house to make a brief announcement in respect of the proposed business for the coming week. We propose to begin on orders of the day today with the four bills relating to pesticides, pest control and animal contagious diseases; the four pieces of legislation in the name of the Minister of Agriculture. These bills are closely related one to the other in administrative structure, and it is felt they could be most effectively dealt with as a group by the standing committee on agriculture. It is the government's hope that they might be given early passage at the second reading stage so that they might receive more intensive consideration in committee. Following committee study, a more informed opinion would be possible as to the amount of time to be taken to deal with them on the report stage and third reading.

The order we propose for calling the items would be as follows: Nos. 19, 18, 20 and 43. Following those items we would ask that government order No. 7 be called, second reading of the act to amend the Farm Machinery Syndicates Credit Act. In view of the fact that the measure was extensively debated earlier in the session, we hope that it too would receive rapid passage at the second reading stage.

The next item would be No. 25, the legislation with reference to the Bretton Woods Agreement Act and related statutes. The intention would be that the bill be referred to the standing committee on finance, trade and economic affairs for a more detailed study. The next item to be called would be government order No. 30, second reading of the legislation to establish the fresh-water fish marketing corporation. The motion proposes reference of the bill to the standing committee on fisheries and forestry. It is anticipated that interested persons from western Canada concerned with the industry will want to make representations to the committee with respect to the bill. In view of the debate on the general subject matter which has already taken place, it is not anticipated that debate on the second reading stage would be too extended.

The next item would be No. 13, for second reading of an act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act, that is to say, the drug prices bill, which would be referred to the standing committee on health, welfare and social affairs. On Thursday I expect to be in a position to make the customary announcement with respect to further business for the balance of this week and for next week.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I hope that either the minister who has just spoken or the Minister of Agriculture, when he deals with these bills, will be able to assure us that the new pest control bill is in no way related to the late, unlamented rule 16-A, which we hope is buried forever.

GRAIN

WHEAT—LICENSING SALE OF PITIC 62

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I would like to announce the licensing for sale in Canada of Pitic 62, a wheat variety which was bred in Mexico. In the interest of brevity I would request permission to table copies of a press release which sets out details of this action taken by the Department of Agriculture today. The house will appreciate that important segments of the grain industry have expressed considerable interest in making a wider range of wheat classes available to farmers. This variety is of a different class and has the advantage of being higher yielding, but it is distinctly inferior in milling and baking qualities to our own milling wheats. Details about seed supplies, grades, etc., are outlined in the documents that I hope to table.

In conclusion, I think it cannot be overemphasized that because of its inferior baking and milling qualities, this class of grain, while it is called wheat, is not wheat in the sense that it will be allowed entry into the marketing channels that are normally considered for wheat in Canada today.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am glad to hear the last statement of the Minister of Agriculture because in the news release, which is in much greater detail—the minister did not read it—the Board of Grain Commissioners advises that, because of its inferior quality, Pitic 62 would only be eligible for grading into the feed grades of wheat. So it does not mean anything in the way of assisting in developing a new variety of wheat that might be more acceptable than our high protein variety sold in the markets of the world.

I would be more interested if at this stage the minister was looking into the matter of the four or five idle ships waiting in the docks of Vancouver for dry wheat. The government should be doing something to get the grain to these ships.

Mr. Olson: We are.

• (3:00 p.m.)

Mr. Woolliams: Probably if the Prime Minister at the Commonwealth prime minister's conference had been flirting a little more with markets than with skirts the farmers would have been better off.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, grain and livestock farmers are of course always looking for good wheat grain varieties to raise, and better varieties are still needed, but I suggest, sir, that this hardly can be called a variety that is to any great degree better than those we now have. It may be that in the future our experimental stations will crossbreed this grain to bring a higher yielding feed grain than we have now. However the shortcomings that the minister specified in his announcement points to the fact that this grain is hardly worthy of mention in this house and is hardly worth getting excited about. There may be parts of the prairie provinces, or certain sections of Ontario, where this grain can be raised, and it may be that Quebec and the maritimes may be able to use this variety—I do not know; the minister has not said. It is subject to smut and bunt and other crop diseases, which is hardly an additional asset to the grain industry in Canada. So I hope the minister will see

to it that the department will watch very carefully the use of this grain, and where it is used.

May I conclude by agreeing with the hon. member for Calgary North (Mr. Woolliams), that all that can be said here is "big deal". This country and the farmers in it have been anxiously awaiting about 20 different kinds of announcements and statements that this minister could be making, on the order for motions, that are more greatly needed than this one.

ORAL QUESTION PERIOD

ESTATE TAX ACT

REQUEST FOR RESOLUTION AND FOR AMENDMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance, one which arises out of the statement of business just given us by the government house leader. Is the Minister of Finance prepared to give the house an undertaking on when he will lay upon the table the ways and means motions relating to income tax and estate tax changes arising from his budget. I ask this question in view of the concern I have expressed on a number of occasions about this legislation and the growing concern about it throughout this country.

Hon. E. J. Benson (Minister of Finance): I hope to lay these upon the table in the very near future, within a matter of a few days.

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question, Mr. Speaker. I wish to ask the minister whether during the interval, and immediately before the resolutions are before the house he might give an assurance to the people of Canada that the iniquitous estate tax bill is going to be amended so as to preserve home farms for farmers across Canada, and also save small businesses from destruction.

Mr. Benson: Mr. Speaker, I would simply like to deny the allegation made by the right hon. member, and indicate that when an estate of $500,000 is left outright, one half to the widow and one half to one child, the ultimate tax is $125,400 as compared with $147,781 under existing law. This is not a small business.

Mr. Stanfield: Are we to assume from the answer of the Minister of Finance that the government proposal is to proceed without amendment or change?

Mr. Benson: Mr. Speaker, small changes are always made to taxation bills. I do not propose major changes, but there are always technical amendments proposed to such bills, as my hon. friend knows.

Mr. Diefenbaker: This means the wiping out of family farms.

Mr. P. V. Noble (Grey-Simcoe): I should like to address this supplementary question to the Minister of Finance. Has he received extensive protests about the proposed estate tax bill from people right across this nation?

Mr. Benson: I have received far fewer protests with regard to the estate tax bill than with regard to the 2 per cent social security tax, and the total number of protests received this year was smaller than those received with regard to the baby budget brought in last spring.

Mr. Diefenbaker: Canadians have now given up hope for any action on the estate tax bill.

FINANCE

REQUEST THAT INTEREST RATES BE CONSIDERED BY STANDING COMMITTEE

Mr. David Lewis (York South): Mr. Speaker, I should like to ask some questions of the Minister of Finance relating to another subject. Is the government considering steps to bring down unconscionable interest rates which are now being charged on loans and mortgages, and if so what are such steps?

Hon. E. J. Benson (Minister of Finance): Of course the government is not in favour of high interest rates.

Some hon. Members: Oh, oh.

Mr. Benson: High interest rates exist because of conditions in money markets both in Canada and throughout the world.

Mr. Lewis: I have a supplementary question, Mr. Speaker. In view of the minister's assertion that the government is against high interest rates, I should like to ask him what he and the government are proposing to do to reduce the crippling rate of nine and three eighths per cent which the government has set under the National Housing Act.

Mr. Benson: As my hon. friend knows, this rate is set automatically under the legislation,

and I am sure that my hon. friend and all of us look forward anxiously to proposals with respect to housing which will be brought forward by my colleague, the Minister of Transport.

Mr. Lewis: I agree we are anxiously looking forward to them.

I should like to ask another supplementary question on the same subject. In view of the very large profits reported by chartered banks in recent months as a result of high interest rates, will the minister give favourable consideration to amending the Bank Act in order to restore some control over the level of interest rates in the market?

While I am on my feet may I also ask the minister whether he would consider referring this entire subject back to the standing committee on finance, trade and economic affairs for renewed study in the light of the galloping rates of interest from which this country is suffering.

Mr. Benson: Again I would recommend to my friend when looking at the results of operations of financial institutions to look at the results of operations of all financial institutions, and in fact to see whether or not the average consumer who obtains a consumer loan is paying a higher interest rate now than he did before. I think the hon. member will find the consumer is paying lower interest rates.

Some hon. Members: Oh, oh.

Mr. Lewis: I rise on a point of order, Mr. Speaker. I do not say this unkindly but I really do not need a very elementary lecture on finance and loans.

Mr. Speaker: Order, please. If the hon. member has a point of order he should make it and not make a speech.

Mr. Lewis: My point of order is that instead of indulging in that kind of useless stuff the minister should recognize his duty to answer the question I asked him as to whether there will be any amendment to the Bank Act, and as to whether this subject of the galloping interest rates will be referred to the standing committee. That is what I asked him about.

Mr. Benson: I can answer the first question quickly by saying that at present there is no intention to amend the Bank Act.

Inquiries of the Ministry

AMENDMENT TO ALLOW INCREASED BORROWING BY TRUST COMPANIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Is it the minister's intention to put before this house legislation amending the Trust Companies Act so as to allow increased borrowing power to trust and loan companies? If so, when may we expect such legislation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, amendments to the Trust Companies Act are presently under consideration by the government. We will probably be presenting legislation to amend the Trust Companies Act later in this session.

Mr. Lambert (Edmonton West): A supplementary question. Will the provisions include increasing the powers of trust companies to borrow capital?

Mr. Benson: Mr. Speaker, I would prefer to make the contents of the bill known when it is presented to the house.

HOUSING

TASK FORCE—REQUEST FOR TABLING OF REPORT

Mr. Robert McCleave (Halifax-East Hants): I have a supplementary question, Mr. Speaker. In the absence of the Minister of Transport and in view of his undertaking that the report of his task force will be tabled in the house within 30 days of the completion of hearings, and this day being the forty second day, could the Minister of Finance advise us when the report will be tabled?

Mr. Speaker: Order, please. I suggest to the hon. member that this is not a supplementary question. I will recognize him in due course, but at present I see an hon. member of his party who wishes to rise, the hon. member for Abitibi.

[*Later:*]

Mr. McCleave: Mr. Speaker, my question is for the Acting Prime Minister. It is not "where the hell is the Prime Minister" but when will the white paper on housing come before us?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, that subject matter comes under the administrative responsibility of the Minister of Transport. I will be glad to draw the hon. member's question to his attention.

Inquiries of the Ministry

EXTERNAL AFFAIRS

[*Translation*]

POSSIBILITY OF CANADIAN REPRESENTATION AT VATICAN

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Can he tell us when the appointment of an ambassador to the Vatican will become official?

[*English*]

Hon. G. J. McIlraith (Solicitor General): I am afraid I am unable to answer that question, Mr. Speaker.

POST OFFICE DEPARTMENT

INCREASED RENTAL CHARGES FOR BOXES

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the Postmaster General and ask him whether he is contemplating any review of the most recent of several announcements regarding the increase in the rental charges for post office boxes, which doubles and in some instances quadruples the charges made prior to those in effect prior to eight days ago.

Hon. Eric W. Kierans (Postmaster General): No, Mr. Speaker.

DISTRIBUTION OF PORNOGRAPHIC ADVERTISING

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is also for the Postmaster General. Can the minister inform the house as to what action has been taken with respect to the recent widespread distribution of pornographic advertising by an organization in California known as Collectors Publications?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, we have taken away the use of the mails from these people.

EFFORTS TO AVOID INTERRUPTION OF POSTAL SERVICE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Postmaster General whether agreement has been reached with the president of the letter carriers union so as to avoid the possibility of any further interruption of postal service.

[Mr. McIlraith.]

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, with the permission of the house I should like to make a fairly extensive reply to this question.

Mr. Speaker: If the minister wishes to make an extensive reply, it would have to be on motions. Has the minister leave of the house to revert to motions for the purpose of making this statement?

Some hon. Members: Agreed.

Mr. Kierans: First of all, Mr. Speaker, I am surprised that the letter carriers union should have criticized implementation of the five-day week. At its last annual convention the union passed a resolution calling for the early implementation of the five-day week. This measure was also recommended by the Montpetit commission of inquiry. It is being implemented both to achieve cost savings—and these are in the order of $13 million—and to improve working conditions.

[*Translation*]

Secondly, Mr. Speaker, I am surprised that the union deemed it advisable to state that they had not been advised of this change before January 2.

The first letters announcing the changes in detail were sent to the union by the assistant deputy minister on October 3.

Later on, in October, November, December and during the first week of January, 13 exchanges occurred between the officials of the department and the union representatives either through correspondence or meetings.

Some of these meetings were held last week and even this morning. I am ready to meet the union leaders at any time, if necessary, and I told them so right from the very first meetings which took place in my office.

[*English*]

I am also surprised that the union should have stated that the coincident move on February 1 to a new system of letter carrier delivery represents a retrograde step for the employees or for the public. The cost saving of this move is approximately $3 million, which represents a significant saving to the Canadian taxpayer.

This new system differs significantly from the old straight-line or straight-through delivery criticized by the union. Under that system letter carriers left the post office in the morning and continued on their walk, on occasion eating their lunch on the way, until they had completed their deliveries. Under the new

system of non-return delivery, letter carriers, after completing their morning round, will be provided with free transportation to the nearest post office, to their home or to a restaurant, whichever they prefer. The difference lies in the fact that under the new system they will no longer return to the post office to sort letters for afternoon delivery.

Now, what is involved? An average of about 20 first class letters are sorted on each day for delivery in the afternoon. Considering the time involved, I do not consider this procedure economic. The effect upon householders is that these 20 or fewer first class letters will be delivered the following morning instead of that afternoon. This represents 20 first class letters of which, on the average, at least three quarters are business mail, such as bills, divided among the 150 points of call on that afternoon walk.

• (3:20 p.m.)

On the issue raised by the union of lay-offs as a result of the five day week, here are the facts. A total of 2,068 positions will become redundant as a result of these changes. To take care of these employees we stopped all hiring as of last October 1. As a result, alternative positions at the same salary have been found for all but 601 of the more than 2,000 employees affected. We have in hand another 215 unfilled vacancies. This leaves us 386 positions. To take care of these we intend, and have so informed the union, that all persons in redundant positions will be maintained on strength for 60 days after February 1. As a result of normal retirements this should open up a considerable number of other vacant positions. At the end of that 60 days we will discuss with union officials any unresolved cases and settle those to the satisfaction of both parties concerned.

Finally, I should like to say this. The post office is undergoing radical change. The public is underwriting that change to the extent of some $90 million a year in increased rates. Post office employees have secured, and rightly so, major wage increases in the past few years. The five day week is being implemented, as I said, to improve working conditions. I invite unions to co-operate with us in achieving a common goal—a better, more efficient post office which serves the public better and which is, by no means least of all, a better place to live and work in.

Mr. Stanfield: Mr. Speaker, we all want an efficient postal service in Canada. I asked my question because many people want some assurance that the Postmaster General and the government generally will make an earnest, sincere and reasonable effort to ensure there is no interruption of service. There is a widespread feeling in the country, and I myself have shared in that, that the prolonged strike last summer was unnecessary, and the result of the government's failure to bargain and discuss questions in good faith until the strike commenced.

I am not rising today to speak for the union; that is not my business, nor is it my place to do so. The members of the union are quite capable of speaking for themselves. Nevertheless I am not exactly comforted by what I interpret as the righteous attitude this afternoon of the Postmaster General.

An hon. Member: The self righteous attitude.

Mr. Stanfield: He expressed surprise at this and surprise at that; he expressed surprise at the reaction of the union. If one wishes to talk about surprise it must be noted that a good many Canadian people are rather surprised at the quality of the mail service existing at the present time. I hope the Postmaster General will bear in mind, as I am sure he will, that while it is all very well to talk about savings you do not save very much unless you have a willing and co-operative work force. I did not rise to lecture the Postmaster General but merely to express the hope that these grievances will be discussed in good faith with a view to reaching a genuine and satisfactory solution which will preserve the working conditions of the men concerned, and will ensure the Canadian public of good postal services that will not be interrupted by any unnecessary stoppage of work.

Mr. David Orlikow (Winnipeg North): It was obvious as one listened to the Postmaster General that, like the Prime Minister, he has learned Marshall McLuhan's message very well: You can say one thing and mean another.

On a number of occasions both inside and outside the house the Minister of Labour (Mr. Mackasey) endorsed the basic principles of the Freedman report, that workers shall be consulted and that workers shall not suffer as a result of technological changes. Yet here we have an illustration of government thinking. It is clear that a great number of workers will be laid off as a result of the government's decision to implement the five day delivery. On a number of occasions the Postmaster General made clear and precise statements

that not a single postal worker would be laid off because of the new system. The remarks are in *Hansard,* Mr. Speaker, although this is not the time to read them. The minister knows he made those statements, yet today he can only say that at some time six months from now, if there are postal workers for whom positions have not been found, the government is prepared to discuss that matter with its employees.

I can only say, Mr. Speaker, that either the minister lied when he made the statement that no one would be laid off, or he has changed his mind. Now the minister says this new system means there will be a better service. He said that when a post office worker went back to the post office he picked up only 30 new letters for delivery, of which two thirds may have been bills. Now, none of us like getting bills, but the fact is that the 30 letters we are speaking of were delivered on the same day they were received in the post office. Under the new system they will not be delivered until the next day.

The minister says the department is going to save money and it will be more efficient. Of course he is talking nonsense and I am sure he knows it. He said arrangements will be made to pick up letter carriers at noon to take them back to the post office or to some place where they can eat lunch. This is something new. That decision could not have been discussed with post office workers two days ago, because when I was in Winnipeg last week I met postal workers who are delivering mail and that matter was not mentioned. I may say that some of those postal workers are delivering mail in the fringe areas of my city where there is no public transportation or restaurant.

The temperature in Winnipeg and most of western Canada last week hovered at about 30 degrees below zero. The workers were very concerned—

Mr. Speaker: Order, please. I must remind the hon. member that the rules allow him to make a brief statement at this time. Perhaps he will keep that in mind in the course of the remarks he is making.

Mr. Orlikow: I was coming to the end of my remarks, Mr. Speaker, which I submit have been no longer than the minister's statement. I was trying to deal precisely with matters the minister supposedly dealt with. I say the letter carriers are concerned and have a right to be concerned about the unilateral and arbitrary decision of the department, something which is not new for that department.

[Mr. Orlikow.]

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.

[*Translation*]

INDUSTRY

ACTION TO PROMOTE INTRODUCTION OF NEW PRODUCTS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the hon. Minister of Industry, Trade and Commerce.

In view of the great importance of the statement made by the minister over the week-end, to the effect that industries should co-ordinate their efforts in the development of new products, can the minister tell the house whether that statement will be followed by the adoption in his department of a new policy to that effect?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, not specifically, I was referring to the use of existing legislation. Some proposed legislative measures, for instance the creation of a corporation to encourage exports, could have an indirect effect. It is a well known fact that the development of exports helps the rationalization and development of industry within a country.

[*English*]

HONOURING OF CONTRACTS BY DEVCO

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I wish to direct a question to the Minister of Forestry and Rural Development. Will Devco honour the contracts in force at the time of its takeover?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I could not hear the question. Would the hon. member repeat it?

Mr. MacInnis (Cape Breton-East Richmond): Will Devco honour the general agreements that were in effect at the time it took over from Dominion Coal?

Mr. Marchand (Langelier): Mr. Speaker, I do not know all the implications of the question. I shall look into it and may answer tomorrow. In principle I say that the corporation should keep its word and live up to its agreements, but I think this is too broad a question to answer at this stage.

Mr. MacInnis (Cape Breton-East Richmond): In asking a supplementary question I might say I am quite satisfied with the minister's answer that the Devco people will keep their word, but will the minister take a close look at the Devco retirement plan and assure the miners involved that the company will keep their promise?

AIR POLLUTION

REFUSAL BY AUTOMOBILE MANUFACTURERS TO INSTAL PROTECTIVE EQUIPMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice. Is Canada's Department of Justice having any discussion and dialogue with the department of justice in the United States with reference to the legal action of the justice department of the United States against the leading automobile manufacturers because of their refusal and/or neglect to place on automobiles air pollution protection equipment?

Hon. John N. Turner (Minister of Justice): Not to my knowledge, Mr. Speaker. This matter would properly fall, I would think, within the authority either of the Minister of Transport or the minister of consumer affairs.

Mr. Woolliams: Then perhaps I could put the question to the minister of consumer affairs, his having heard the first question. Is Canada itself taking any action in connection with air pollution devices for automobiles and the failure of the automobile manufacturers to instal the necessary equipment? If so, what action is being taken?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, with regard to air pollution as a general subject, my colleague the Minister of National Health and Welfare is responsible. As to the proceedings both in Washington and California with regard to automobiles generally, and automobile warranties and exhaust devices particularly, the officials of my department are studying very carefully the evidence and the inquiries being held in both jurisdictions to determine what action is appropriate in Canada.

Mr. Woolliams: Mr. Speaker may I put one more supplementary question, and again I address it to the Minister of Justice. Since this matter is in his field I ask him now: Is Canada contemplating taking any legal action with reference to manufacturers of cars providing air pollution protective devices on their automobiles, the same as is done in the United States?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I can assure the hon. member that if the investigations of my colleague the minister of consumer affairs demonstrate the need for legal action, then it will be taken.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question either to the Minister of Finance or to the President of the Treasury Board. In view of the fact that the government has acted upon a recommendation of the special joint committee on the public service of Canada with respect to the salaries of deputy ministers and assistant deputy ministers, when will it act upon the recommendation of the very same committee for increases in the pensions of retired civil servants?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the first step to which the hon. member has just referred was attributed rather more to the recommendations of an outside committee known as the Clyne committee. With regard to the second part of the question, as I have told the hon. member this matter is still under consideration.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

[*Translation*]

SPORTS

ASSISTANCE TO NATIONAL SKI TEAM

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Acting Minister of National Health and Welfare.

Has the minister or his department received an application for a grant to assist the national ski team which will represent Canada and, in the affirmative, what is going to be done about that application?

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I shall call the attention of the minister to this inquiry.

Inquiries of the Ministry

[*English*]

IMMIGRATION

POLITICAL ASYLUM FOR POLISH SEAMEN

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Minister of Manpower and Immigration possibly I could direct this question to the acting minister. It has to do with the application for political asylum of nine Polish seamen who have disavowed communism and desire to remain in Canada. The matter has been before the appeal board and has been decided adversely. Is there not something that the government can do in order to assure that these men, desirous of remaining in Canada, can be granted political asylum inasmuch as they fear that if they return to their own country they will be visited with recriminations, if not worse?

Hon. Jean Marchand (Acting Minister of Citizenship and Immigration): Mr. Speaker, I will be happy to forward this question to the Minister of Manpower and Immigration. However, as the right hon. gentleman knows, the decisions of the board of appeal are final and binding and I think it would not be wise, from the minister's point of view, not to respect the order of the court. In any event I shall submit the question to the minister.

Mr. Diefenbaker: May I just add that I realize the legal position under the law, but surely humanitarian considerations should be paramount in a matter such as this and these Polish people should be given the same rights as those Czecks and others who have left communist countries to seek freedom in our country.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to direct a supplementary question to the acting minister. Have government lawyers in these immigration cases been instructed recently to advise the tribunals of Canadian policy regarding asylum for refugees from communist countries?

Mr. Marchand (Langelier): Mr. Speaker, I know of no such orders, but I shall refer this question to the Minister of Manpower and Immigration.

CONSUMER AFFAIRS

REQUEST FOR PRICE CONTROL LEGISLATION

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Having in mind the further substantial increase across Canada in the cost of living recently, is consideration being given to introducing the type of prices control legislation which, to use a perhaps overworked word, would have enough guts in it to protect the wage earners and the pensioners of the country?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the policy of the government is clearly set forth in the white paper which I tabled in the house on the day we adjourned for the Christmas recess. Since its tabling I have sent some 500 copies of the white paper to leaders of labour and industry, and to the university economic community for their comments. Comments I have received so far are very favourable to the policies enunciated in the white paper. I am now engaged in winding up a series of consultative meetings with business, labour and the academic community, receiving their comments on the white paper, and I would hope to implement the policies spelled out in the white paper before the end of February.

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY AS TO PROPOSED AMENDMENT TO EXCHEQUER COURT ACT

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Minister of Justice a question.

Could he tell us when he will introduce a bill dealing with the administrative tribunals in order to amend the present legislation? He talked about it at the end of 1968 and he promised that such a bill would be tabled. Can he tell us when this will be done?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I do not know exactly what legislation the hon. member is talking about; is it the one amending the Exchequer Court or another one?

Mr. Fortin: It is the bill dealing with the administrative tribunals which was discussed at the resolution stage. At that time it was said that a new legislation on administrative tribunals could be passed. The minister said then that such a measure would be advisable.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we are now studying that measure and I will be in a position to present to my colleagues and to the cabinet a new bill intended to make the Exchequer Court a court of appeal for the judicial review of all administrative tribunals of the country. As for a date I cannot set any date at the present time.

[*English*]

SHIPPING

APPLICATION OF STORAGE RATES TO ATLANTIC FISHERY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in view of the absence of the Minister of Transport I wish to direct this question to the acting minister. On January 2 the Minister of Transport announced an increase in wharfage storage rates and lying-up charges at some 3,500 government wharves throughout Canada. Will these increased rates estimated to produce some $300,000 a year in additional revenue, be applicable to the inshore and offshore fishermen on the Atlantic coast?

Hon. James Richardson (Acting Minister of Transport): Mr. Speaker, I will take notice of this question and reply tomorrow.

TENDERS FOR DIGBY-SAINT JOHN FERRY

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the Minister of Transport but in his absence I shall direct it to the acting minister. Have tenders for the new Digby-Saint John ferry been awarded and have contracts been let for the new terminals?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, there has been discussion between the C.P.R. and the government officials with regard to the vessel but I do not believe that the tenders have in fact been let.

INQUIRIES OF THE MINISTRY

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. Can he give to the house and the country an indication of when the Prime Minister may find time from his busy round to join us in this chamber in discussing the nation's business?

Hon. G. J. McIlraith (Acting Prime Minister): Mr. Speaker, I expect the Prime Minister to be back in the house on Monday.

Mr. Muir (Cape Breton-The Sydneys): As a supplementary question, may I ask the Acting Prime Minister whether the Prime Minister, during his audience with His Holiness the Pope, will discuss with him his abortion bill? Further, when the Prime Minister returns to Canada will he return to this house or is he going on another vacation?

An hon. Member: Where the hell is the Prime Minister?

Mr. McIlraith: I think I should answer that interjection. He is attending the Commonwealth conference.

GRAIN

DAMP WHEAT—LIFTING OF EMBARGO

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Earlier in the week the wheat board authorized three bushel quotas. However, because of a lack of box cars and an embargo on shipments of damp grain only a few farmers have been able to deliver the three bushel quota and some farmers were not able to deliver any grain at all. When can we expect the embargo on damp grain shipments to be lifted so that more farmers can deliver damp grain up to the three bushel quota?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): There is no change on that subject, Mr. Speaker.

Mr. Korchinski: When can we expect the lifting of the embargo so that damp grain can move out of country elevators?

Mr. Pepin: A few weeks ago there was too much damp grain being moved. We now need dry grain of certain grades for export. It is a very complex situation and if I have a chance I would like to explain it.

INSTALLATION OF DRYING EQUIPMENT BY ELEVATOR COMPANIES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Minister of Agriculture whether or not the Board of Grain Commissioners, his department or the government have announced any regulations, or will they be, permitting the installation and operation of grain drying equipment by elevator companies at country elevators? Is this now being considered, and when can we expect such permission to be given?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, that suggestion, along with many others, was considered in taking steps to alleviate the problem in western Canada. I will look into this matter again and see if we have any direct applications for the installation of these facilities in country elevators. However, I should like to advise my hon. friend that there are several hundred on-farm grain dryers in western Canada which are not

being used at the moment because of the inclement weather.

Mr. Diefenbaker: And also because of the 10 cents per bushel.

Mr. Benjamin: Is the minister aware that some country elevators are now using grain dryers under the provisions and regulations of the Board of Grain Commissioners?

EQUITABLE DISTRIBUTION OF BOX CARS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I wish to direct this question to the Minister of Transport but in his absence I will direct it to the Minister without Portfolio. Would the minister inform us whether or not a co-ordinator has been appointed to establish equitable distribution of box cars in western Canada and whether the Canadian Transport Commission has been instructed to look into the equitable distribution of box cars?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, the allocation of box cars in the west is followed closely by the Canadian Wheat Board which reports to the Minister of Trade and Commerce. I believe he has the information concerning box cars.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, having regard to the failure to receive box cars at so many points and because of the uncertainty in respect of the way allocation is made, I should like to ask whether the government is now giving consideration to the appointment of a transport controller so that allocation may be done with fairness and equity to the farmers of western Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I might answer the question at least in part by saying that there is already a transportation committee made up of the Board of Grain Commissioners, the Canadian Wheat Board, the railways and the grain companies. This committee is constantly keeping in touch with the box car situation.

Mr. Diefenbaker: Not very successfully.

Mr. Pepin: That is a matter of opinion.

Mr. Diefenbaker: Ask the farmers.

Mr. Pepin: Members of the Committee are doing their best. They might consult the hon. member for Prince Albert to get more enlightenment in respect of what should be done. However, with the mental and physical resources available to them they are trying to figure out these very complicated problems. We have one awkward situation in Vancouver which stems from two very desirable developments. With the approval of everybody in this house, it was thought that the proper thing to do was to give high priority to the movement of high moisture grain to terminal elevators. Everybody seemed to be in favour of that. It just so happened that at the same time sales were made which could not have been anticipated. Sales to China were higher than had been expected; sales to Japan were also slightly higher than expected. So it happened that two very desirable things conflicted.

Mr. Diefenbaker: It just happens that that is not an answer to the question. The minister used a lot of words chasing an idea. I asked whether consideration has been given to the appointment of a transport controller, such action in previous years having actually brought about a reasonable degree of equity?

Mr. Pepin: Yes, consideration has also been given to that. A co-ordinating committee of the transportation committee I referred to has been established in Vancouver. This committee meets on a weekly basis. There are 6,800 box cars of grain under load or at Vancouver, and the first priority of this committee is to ensure that the on-loading of grain will be maximized. This should bring about an improvement.

AGRICULTURE

TOMATOES—U.S. IMPORT RESTRICTIONS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct this question to the Minister of Agriculture who I am sure is aware of the action of the United States government in changing its regulations last week on imports of tomatoes into that country and the disastrous effect it could have on our own Canadian industry. Can the minister state whether the government is prepared to tell us now what its decisions are on the recommendations in this regard presented by the greenhouse industry almost nine months ago?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the hon. member is aware that there have been several changes in the United States import regulations respecting tomatoes. The most recent one has just come into effect within the last day or two. The hon. member also knows we are watching this situation

very closely. We will be considering what action will be appropriate in view of what the United States has done and, indeed, what ramifications this will have in the market.

Mr. Danforth: Can the minister say whether the government is prepared to announce its decision on the specific recommendations made by the greenhouse industry and, if not at this time, when this might be expected?

Mr. Olson: I cannot give a specific date in respect of when an announcement will be made. I do not think I can add very much to my statement that all these things will be taken into consideration.

HARBOURS

CORNER BROOK, NFLD.—PLANS FOR DEVELOPMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Public Works. Can he say whether plans have been completed for the proposed harbour development at Corner Brook, Newfoundland, and whether provision for this work has been made in the estimates of his department?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I should like to take the question as notice and give an answer tomorrow, if I may.

[*Translation*]

AIRPORTS

CHIBOUGAMAU— INQUIRY AS TO CONSTRUCTION OF AIRPORT

Mr. Oza Tetrault (Villeneuve): Mr. Speaker, I would like to direct a question to the hon. Minister of Transport. In his absence, I will direct it to his parliamentary secretary.

Could he bring us up to date on the negotiations regarding the construction of the Chapais-Chibougamau airport, in the constituency of Villeneuve?

[*English*]

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I do not think there is anything to be added to what the Minister of Transport has already said in the house.

[*Translation*]

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I wanted to address a question to the Minister of Transport, but in his absence, I will direct it to the acting minister.

Inquiries of the Ministry

Is the department in a position to communicate its decision regarding the choice of a site for the future international airport in Quebec?

[*English*]

Hon. James Richardson (Minister without Portfolio): No, Mr. Speaker, not yet.

[*Translation*]

Mr. Fortin: A supplementary, Mr. Speaker. Could the acting minister tell us approximately at what date this decision will be made public?

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS TO EFFECT INCREASES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in respect of the announcement made during the recess regarding the payment of 10 cents a bushel to a maximum of $600 as further funds that the farmers might draw, I understand that this will require an amendment to the prairie farm cash advance payments act, or whatever the statute is. When will the Minister of Agriculture bring in these amendments?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Minister of Agriculture will not be bringing in these amendments at all. The Minister of Industry, Trade and Commerce will be bringing them in. It is a fact, however, that an amendment of the cash advances act is required to increase the amount. The statutory amounts are $1 for wheat, 70 cents for barley and 40 cents for oats.

Mr. Benjamin: Since the Minister of Agriculture has not talked with the Minister of Industry, Trade and Commerce, can the Minister of Industry, Trade and Commerce tell us when he will bring in these amendments?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I can only confirm what the Minister of Agriculture says. As usual, he is extremely well informed. The selecting of a date is in the hands of the house leaders of the parties. We will do our best to bring this legislation in as early as possible and will count on the co-operation of members on both sides of the house.

Pesticide Residue Compensation

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the government house leader. Will the minister check to make certain that the Minister of Transport is here tomorrow to answer important transport questions, particularly in view of the fact that according to the new roster he was supposed to be here today? Apparently he is here in Ottawa looking tanned and healthy after his holiday.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the Minister of Transport is attending a ministerial meeting with provincial ministers on highway safety, a subject of general and great public concern. I would point out that in fact the department is represented here today and has responded to questions.

Mr. Bell: Does the minister feel it is a good thing to start the new year with a roster system which is not being honoured?

• (4:00 p.m.)

AGRICULTURE

COMPENSATION FOR CONTAMINATION BY PESTICIDE RESIDUE

Hon. H. A. Olson (Minister of Agriculture) moved the second reading and reference to the standing committee on agriculture of Bill C-155, to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards.

He said: Mr. Speaker, it is my proposal that four bills, C-155, the pesticide residue compensation bill, C-154, the plant quarantine bill, C-156, amending the Animal Contagious Diseases Act, and C-157, the pest control products bill, be considered by the house together. The reason for this suggestion is that they are very much interrelated. The first three mentioned all make provision for compensations to primary agricultural producers in certain situations and the first contains a general provision creating an opportunity for producers to appeal the level of compensation awarded. The fourth bill, C-157, deals with pesticides, as does the first one.

The pesticide residue compensation bill provides for appeals against compensation awarded under this new act as well as under other acts to which these appeal provisions are also applicable. These appeal provisions are made applicable to the plant quarantine bill and the Animal Contagious Diseases Act

[Mr. Pepin.]

by the bills presented. There is, therefore, very good reason for considering these four measures together.

I should like to repeat the suggestion made by the President of the Privy Council (Mr. Macdonald) that all these bills be referred to the standing committee on agriculture for detailed consideration clause by clause.

To refer to the specific bills, Bill C-155 has reference to the proposed pesticide residue compensation act. As is well known to all hon. members, pesticides have become an integral part of our food production picture, as well as having a multiplicity of uses around the home, in the garden, in public recreation areas and indeed in many of our industries. We just could not economically produce some of our important crops without pesticides.

I suppose that most of us dream of the day when pesticides will no longer be required. Agricultural scientists are striving to come up with alternatives to these control materials and are having some measure of success, but the promised land is not yet in sight so far as doing without some of these very useful chemicals in the production of agricultural products is concerned.

Pesticides are rendering a magnificent service to agriculture and, indeed, to the public at large, but from time to time in spite of careful research and testing the use of pesticides in accordance with recommended practice leads to a residue remaining in food that renders the sale of the food in violation of the Food and Drugs Act.

To protect the public interest we have some very stringent requirements concerning the use of these potentially dangerous materials. Our rules are especially strict in regard to pesticide residues in food. The sale of agricultural products containing even minute quantities of residue can be banned under the Food and Drugs Act. This can work a real hardship on an individual farmer because not only does he lose the immediate revenue from his produce but contamination may be such that future marketings may also be affected.

The pesticide residue compensation bill is designed to assist farmers who suffer losses because of pesticide residue through no fault of their own. More specifically, this bill provides the Minister of Agriculture, through the governor in council, with authority to pay compensation to farmers for losses resulting from pesticide residues in food products which are withheld from sale as a result of action under the Food and Drugs Act.

Eligibility for compensation is dependent on the residues not having occurred through the fault of the farmers. Also, the use of the pesticide must have been in accordance with recommendations made, approved or concurred in by the Canada Department of Agriculture.

Passage of this bill will restore confidence to those farmers who wish to use pesticides according to directions in the economic production of crops and who may have felt some uncertainty because of the significant losses experienced by a very few farmers as a result of pesticide residues. In framing this act the aim has been to make it as easy as possible for the farmer to establish his eligibility for compensation and the amount of compensation while at the same time not interfering with the normal rights and responsibilities of farmers and, indeed, manufacturers of pesticides.

The bill also provides for the appointment of assessors to hear appeals from compensation awards. The powers of the assessors are binding and provide for confirming or varying the decision of a minister and referring cases back to the minister for such further action as may be necessary. Perhaps I should also add that any producer of primary agricultural products will be eligible for compensation.

Pesticide residues include residues of all pest control products such as insecticides, fungicides, herbicides and fumigants. The bill provides that compensation may not be paid until steps have been taken by the farmer to reduce the amount of loss and to pursue any action the farmer has in law against the manufacturer of the pesticide, or any other person.

The provisions I mentioned earlier for appeals against levels of compensation paid under this act may be made to apply to other acts where provisions are made in such other acts for their application. There are two other acts which will be dependent upon or referred to in the provisions of this act in so far as compensation and appeals from amounts of compensation are concerned. It might be well for me to point out at this stage that the financial consideration would not amount to more than $100,000 annually. This is based on our experience. Indeed, the amount may be substantially less because we must find a situation in which in fact the food and drug directorate has banned the sale of some product before the farmer would become eligible. It must also be established that the residue of these chemicals got into the food through no fault of the farmer. While there have been some cases in the past, we do not expect that this bill will result in a very large drain on the public treasury.

Perhaps I might proceed to an explanation of Bill C-154, the plant quarantine bill.

Mr. Danforth: Mr. Speaker, on a point of order, since some of these bills are quite different in their import perhaps we could deal with them one at a time.

Mr. Speaker: Order, please. I assume the hon. member is raising a point of order at the moment. Obviously there is only one bill now before the house. I suggest to the minister that this is what he should do, and I also suggest that he should not deal with the other bills at this time unless there is agreement on the part of hon. members.

Mr. Olson: Mr. Speaker, I fully agree that if there is not agreement to deal with all these bills at the same time—the suggestion is that they are interrelated—and hon. members wish to deal with them separately, under the rules that is the way it will have to be done. If there is not unanimous agreement to deal with all these bills concurrently, I have concluded my remarks on Bill C-155.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I express my thanks to the Minister of Agriculture (Mr. Olson) for his co-operation in this regard. We would rather deal with these bills one at a time because there are definite principles involved in each of them to which we would like to give very serious consideration. My remarks this afternoon will not be at great length because I believe there is general agreement among all members that legislation of this type is and has been needed for some time, perhaps ever since the extensive use of chemicals in the control of diseases and insects that affect crops which provide human and animal food began.

Having considered the terms of the bill and listened to the explanatory remarks of the minister, I believe there is a strong feeling in the house that the basic issue we must always keep before us is the health of animals and humans who consume food produced from the soil on farms where chemicals are being used. We must consider, on the other hand, that in view of the conditions under which food is produced at the present time we in fact need not only the chemicals we now have but new chemicals to control the various pests and

diseases that from time to time affect farm production.

• (4:10 p.m.)

I think the minister is right in his contention that the government will not have to spend great sums of money in implementing this legislation because I believe that under the provisions of the bill there is very little recourse for a farmer to obtain redress when his crops are condemned because they are contaminated by pesticide residue. It seems to me that before an individual can present a claim to the government he must on his own initiative exhaust all other courses open to him. He must exhaust all avenues of approach, including the companies which provided the chemicals and the custom operators who applied them to his property or adjacent properties. Therefore it appears that once more the onus has been placed on the primary producer, the farmer. Not only is he faced with the loss of the sale of his products, which may be reduced greatly and in extreme cases may be barred from the market completely, but he is faced with the additional expense of making a claim or pursuing an appeal through the various avenues open to him.

There is one other matter that I think should be, and perhaps will be, explored when this bill is referred to the standing committee on agriculture. I was very pleased indeed to hear the minister emphasize over and over again that it was the intention of the government to refer the bill to the committee. This will give an opportunity to those members of the house directly interested in the subject, and the various experts, companies and individuals concerned with this question, to go into the matter in a very thorough and exact manner in order that the farmers of this country, the primary producers, will have the very best possible bill that it is in our power to enact.

I believe that one of the main problems we should be attacking as a group vitally interested in the welfare of this generation and generations to come concerns the type and composition of the chemicals that are applied to the land. We sometimes find that the application of chemicals to crops can create greater problems because of their residue or action than those which it is sought to control. I speak of chemicals that do not after application break down or change their form in any manner and are therefore a constant threat to the environment in which they are used. They may be a constant threat to animals because of their presence in the topsoil of the land to which they are applied. They may be a constant threat to fresh-water and, indeed, salt-water fish because these chemicals are sometimes carried away through soil drainage to our rivers and lakes and thus to the ocean. Some of the chemicals used lodge in the bodies of the insects they are intended to control and thus are a real threat to various species of bird life of which we in this country are so proud.

My primary point in asking the minister to deal with each of these bills separately was that although they are related in that they deal with chemicals the principles involved are of such magnitude and the ramifications are so great that I believe we must have an opportunity to express our views in regard to each of them. In principle we believe that the action of the government in introducing this bill is commendable. When reviewing the bill we would like an opportunity to deal with each of the clauses in a very explicit manner. In particular we would like from the government explanations of the regulations set out in the bill. After considering the bill I am of the opinion that although its specific purpose is to provide compensation to farmers, the manner in which the bill is drafted means it will be almost impossible for farmers to receive extensive redress for damage. In fact, if they are able to receive compensation it will only be after a long and costly dialogue with the government and the other parties concerned. In the course of our review of the bill we might find a much swifter method of resolving matters as between the injured parties, the farmers, and the government. It is my hope that we shall be able to do this.

We in this party will endeavour in the consideration of these bills to pay every attention to safeguarding the welfare of the people and the animals that consume the production of our soil. Second, we shall investigate these chemicals thoroughly to ascertain whether or not they will remain as active agents in the years ahead. Third, we shall do our very best on behalf of the farmers to make sure that when this legislation becomes law it will be in the most workable form possible.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have listened with a great deal of interest to the remarks made by the minister and by the speaker for the official opposition. I must say that Bill C-155 is a very important piece of legislation and it is my hope that it is just the start of a series of

legislative changes regarding the use of pesticides. While this bill deals with compensation to farmers whose agricultural products have been contaminated by pesticide residue it nevertheless leaves much to be desired in the field of control, something that the house must look at very carefully in the months to come. This bill can be described as legislation to provide compensation to those farmers whose products have become contaminated by the use of government approved pesticides. Basically this is the content of the legislation before us.

While I agree with the preceding speaker that legislation of this type is certainly long overdue I believe that compensation for loss is only one facet of the problem. I feel it is imperative that the Department of Agriculture in conjunction with other government departments do far more research into the possible effects of pesticides before they are released for public use. I find it rather disconcerting to realize that over the years we have been using pesticides which in many instances have contaminated the soil and the products grown in it. There is not doubt that this type of soil pollution is extremely widespread not only in this country but in every country in the world. The relatively few cases of this type of pollution which becomes public knowledge are only a fraction of those which really take place. However perhaps the most disconcerting aspect of the pesticide problem is the fact that government agencies have approved their use only to find out later that very severe contamination has taken place.

I would be the first to admit that pesticides are certainly required in the agricultural industry. In British Columbia there are many kinds of farms and pesticides are certainly required to control some pests. In the past one of the problems has been the lack of proper co-operation between the federal and provincial departments of agriculture. It seems to me that in many instances of problems of pollution of agricultural products there has not been the proper degree of co-ordination and co-operation between the provincial and federal departments concerned.

I can think of a case which took place several years ago in Grand Forks. I am quite certain that the minister and his department are well aware of the problem that arose when contamination took place and the farmers concerned were placed in an extremely awkward financial position. They had been raising milk cows and sending their milk to the creamery. Contamination was discovered, and very naturally and logically the creamery had to refuse to take the product. For at least two years a great fight went on, first with the provincial member for the Grand Forks district and then with the department of agriculture of British Columbia. Finally the matter reached the federal field and eventually partial compensation was received by the farmers who had the contaminated product. I think this is a good case to illustrate the point that research facilities are needed desperately in this field.

The above problem in regard to pesticides arose initially because of the use of a pesticide called Aldrin which was used to spray potatoes, I understand. Once Aldrin gets into the soil it often converts itself into a more toxic pesticide called dieldrin. This is the pesticide that caused the problem in the area to which I referred. It did not occur in the crop for which it was used but was found several years later in the hay which cattle had been eating. It took months to search for and find the source of this contamination.

It seems to me that we in Canada have been far too hasty in giving the green light to the use of certain types of pesticides without thoroughly investigating the results which might occur because of a particular pesticide coming into contact with something in the ground and becoming more toxic. We are the only ones that can be blamed. We have allowed this to take place. I am not saying that one government has been more negligent than another, but certainly once these problems are pointed out we should make sure that legislation to protect against this type of problem is placed upon the statute books of our country.

There are one or two more points I should like to make about the use of pesticides. I must say I am very pleased to see a clause in the bill which gives the minister, before paying any compensation to a farmer, the right to insist that the crown be allowed to sue the manufacturer. At least, that is how I interpret the legislation; if I am in error the minister can correct me. I think this is a good provision, but at the same time we must not forget our obligation to the Canadian people to see that proper testing of pesticides is carried out before they are released for general use in Canadian agriculture.

• (4:20 p.m.)

Over the past several years a great deal of work has been done on pollution problems. I do not want to stray too far from the bill under discussion, but it has been found, for

example, that the unwise use of D.D.T. sprays has resulted in extreme damage to wildlife and to fish, with consequent economic disadvantage to the public in general. One of our big fish hatcheries, the Bow River fish hatchery in the east Kootenays one of the finest on the North American continent, had its entire stock of fish pretty well wiped out one year when D.D.T. got into the water. The province of British Columbia was financing the plant, but again this is an example of loss to the public. The cause is very difficult to trace. We also see the indiscriminate use of sprays for various pests. While we do a top-notch job of eliminating pests, it must be the over-all, final results that determine the use of particular pesticides.

Many questions will be asked when the clauses come before the committee, but perhaps the minister could indicate to the house in his wind-up speech what the regulations will cover. I think that sometimes we leave far too much to the regulations sections of bills and that certain regulations should perhaps be incorporated within the bill itself. If there is anything extraordinary in these regulations, then I for one would appreciate it if the minister would outline to the house what it is.

There is a host of pesticides—I have referred to one particular pesticide, Aldrin—and there is not time to go into them all during this debate. However, before I close may I say a word or two about pesticides generally. I would not want the Canadian people to think that they are in danger of losing their lives as a result of eating certain agricultural products, but I should like to read one paragraph from "Science" magazine for September, 1967. Basically the paragraph points out that while pesticide residue in food, in animals and so on is rising and causing a great deal of concern in practically every nation on earth, the safety standards that have been set by the World Health Organization have still not been breached. I should like to conclude my remarks with this paragraph:

> The residues of pesticide chemicals consumed in a normal well-balanced diet are substantially below the limits set for acceptable daily intakes by the World Health Organization and United Nations committees and below the safe levels anticipated when legal tolerances are established on the raw foods. Although this conclusion is reassuring, it cannot be said that pesticide residues in foods are not a matter for continued concern. Unpublished data, obtained from objective samples of raw food examined to determine compliance with tolerances, show (i) that for each of the last three years almost half the lots examined contain residues, mostly below tolerance levels, and (ii) that over half these lots contain more than one residue. Even though this investigation does not show a statistically valid difference, there is a finite increase in the daily intake of total chlorinated organic compounds. From these findings, we conclude that continued surveillance and attention to pesticide residues in foods are required.

Although I feel that the bill is a step in the right direction, I hope it is just a start in a real program to fight the soil pollution, air pollution and water pollution problems that are facing Canada today.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, on behalf of the Ralliement créditiste I should like to pledge our co-operation so that the four bills of which the Minister of Agriculture (Hon. Mr. Olson) spoke a while ago can be studied as rapidly and as efficiently as possible.

Those bills are of great interest to the farmer as well as to the people in general, the consumer, etc. I should like to reassure the minister with regard to our position in this regard.

Bill No. C-155, as already pointed out so aptly by those speakers who preceded me, is really a step forward and constitutes an improvement with regard to the use of those products which, unfortunately, have become necessary to increase the income possibilities of those who deal in agricultural production. Unfortunately, in general the Canadian farmer is not sufficiently informed by the companies on the nature of those products. There is far more concern about promoting their sale than about giving sufficient information on how to use them wisely with a view to reducing eventual losses that might result from this use.

I congratulate the minister on having accepted that the bill be referred to the committee on agriculture where it can be discussed at length and looked into more carefully, and where we can make suggestions to improve it. But, before we do so, I should like to ask whether that part of the bill which concerns indemnities to farmers will also apply to pastures because it sometimes happens that pastures are damaged by herbicides causing serious problems for the farmers. The bill is not clear about this, but I am convinced that the minister can give the house some information in this regard.

In any event, I am pleased with this bill as well as Bills Nos. C-154, C-156 and C-157, which are all related. We are very much interested in them; they will surely bring improvements. Still, as mentioned by the

speaker who preceded me, there must be a joint effort made to promote general knowledge of those insecticides and pesticides with a view to limiting their ill effects as much as possible. That is probably what the Minister of Agriculture was thinking when he introduced Bill No. C-154 which we will discuss a little later, I hope.

In any case, Bill No. C-155 is acceptable in principle and is a step forward. Knowing the minister as I do, I am convinced that he will be very happy to accept the suggestions we might make to him to improve the bill further. In the meantime, I can say that Bill No. C-155 was needed, that it comes at the right time and that we can hope for appreciable results.

As for the compensation that will be paid to farmers, it is a matter of secondary importance because it must not be considered as a source of income. The damage was done quite by accident and the government will have to make it good to some extent. The aspect of the bill which appeals to me is a clause by which the farmer himself will have to try and get compensation from the companies or the individuals involved.

• (4:30 p.m.)

Secondly, the government will not act as a dictator when requiring the consent of the farmer—if I understand correctly it is the intent of the bill—to institute any legal action if necessary, on his behalf, and I assume that the department's legal action will not be taken at the farmer's expense.

This is a question which can be asked because if the action is taken at the farmer's expense, he could lose all the money he might have received as a compensation and he would not be any better off than if nothing had happened.

Mr. Speaker, those are the few remarks I wanted to make on Bill No. C-155.

[*English*]

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to take a few moments to speak of a few matters burdening my mind. When the bill was first introduced I was elated, hoping it would cover more ground than I found it actually covered on subsequent examination. I know that it provides for compensation in cases where food is contaminated, but compensation might well be merited in other cases where food is not contaminated but stunted or affected during growth as a result of the effects of insectides or pesticides. I had hoped that when the bill was being drafted the department would consider such matters.

I recall a particular instance in which a department of government other than the Department of Agriculture was involved where 2-4-D was used on what was called a P.F.R.A. pasture. It had a certain effect on a farmer's garden and he complained to the department. The department did not take the farmer at his word. Specimens of damaged crops were submitted to the provincial laboratory concerned, but neither the department nor the farmer was able to obtain a statement saying that there had been damage or that there had been no damage. On checking with the laboratory personally I was told in a telephone conversation that an insufficient quantity of material was analysed for the laboratory to be able to give a definite answer. As a result the farmer was not granted compensation. Other farmers tried to substantiate his contention by signing statements to the effect that to the best of their knowledge—and these were knowledgeable farmers—the damage in question was caused by the use of 2-4-D. No compensation could be paid in that case, however, because no proper analysis was made. Therefore there was no substantiation of the claim.

I had hoped that the department would keep matters like this in mind when drawing up the provisions for compensation. I wondered whether the department's thinking had gone that far. I realize that where it can be proved that food has been contaminated there will be compensation. All the same, I think it might be a good idea for the department to take into account matters similar to the one I have raised when considering the provision of compensation. Perhaps the minister might say something along these lines when he sums up.

Mr. Speaker: Order. If the minister speaks now he will close the debate.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, my remarks will be brief because rather than criticizing the provisions of the bill I think it can be said that all of us more or less agree with its intent and recommendations. There are one or two points that need to be clarified. Where the wording of the bill says that the minister may do certain things on such terms and conditions as prescribed by the regulations, etc., does that wording refer to the Minister of National Health and Welfare or to the Minister of Agriculture? I ask that question because, although we are dealing primarily with the Minister of Agriculture in this bill, the Minister of

National Health and Welfare comes under its aegis and he too must be considered.

I wish to speak about making information available to the agricultural community. Certain useful publications carry information that is useful to our farmers and I think it would be wise to allow such publications to be made available to farmers at reasonable subscription rates. Farm publications carry excellent material; their reports are most helpful to farmers and many of our farmers are worried because some of those publications may have to go out of business.

Often problems are encountered when trying to enforce a particular piece of legislation. Too often we find that the fieldmen who are directly involved in policing legislation are not given proper training before they go into the field. I suggest to the minister that this aspect ought to be looked into before fieldmen are turned loose to police this legislation. I think they ought to be given adequate training before being put into the field. If fieldmen do not have adequate training we shall continue to receive complaints along those lines. We have received such complaints in the past. Whether they were valid I am not prepared to say.

On page 3 of the bill we find these words at the beginning of clause 4: "The Governor in Council may make regulations." I emphasize the word "may" and suggest that it ought to be changed to "will". Too much permissive legislation is not good. We must have some permissive legislation in order to allow the minister to determine what to do. Yet in Bill C-155 I think the word "may" ought to be changed to "will" wherever possible.

Another point that bothers me, as it no doubt bothers many other people in Canada, is that the Department of National Health and Welfare must continually inspect the insecticides at present on the market as well as those that are coming on the market. Too often in the past insecticides have been put on the market without sufficient investigation of their particular properties and the results obtained from their use. The minister should make sure that under the regulations this matter will be looked at closely.

• (4:40 p.m.)

There is another point I would like the minister to clarify. Is it the intent that the farmer must pursue legal action against the manufacturer. I suggest that the government and its agencies are the bodies which should take legal action against a manufacturer because in many cases a farmer is not prepared to take action against an individual who happens to be a close friend and is the agent of a manufacturer. I am sure other methods are available whereby the government or its representatives could take action against a manufacturer after a farmer has lodged a complaint with the manufacturer's agent.

Clause 5(3) says that in paying compensation the minister must take into account any amounts realized by a farmer "as a result of any steps taken pursuant to subsection 1 or as a result of any legal action taken on behalf of the farmer." Would such amounts of money be deducted from the compensation involved? I think it would be contrary to the regulations to deduct such an amount if the legal proceedings were instituted by the crown.

With respect to clause 5(5), under what conditions could a farmer receive compensation to which he is not entitled? If the farmer wins a case in a lower court but the manufacturer involved appeals to a higher court which reserves the decision of the lower court, would the farmer then be liable to repay the compensation he has received to the crown? Can the minister clarify this point? How could a farmer receive remuneration for something that the Department of National Health and Welfare determines is not subject to sale? Further, if a farmer did receive remuneration for such a product would he have to hand it over to the crown?

The agent of a manufacturer is placed in a very precarious position and the question arises whether he should be the one held responsible for selling a product. I suggest that many agents throughout the country have no way of knowing the ingredients in the products they sell, and I believe it would be a retrograde step to make them responsible for the products. I believe we should hold the manufacturers responsible and leave their agents alone. An agent in a rural municipality is having a hard enough time at present making a living by selling products which he believes to be of good quality. Some protection should be afforded manufacturers' agents.

I also wonder whether or not consideration should be given to the payment of compensation to processors as well as producers. In many cases processors find themselves in exactly the same position as producers. There have been many cases where creameries have lost their stocks owing to ingredients found in the products delivered to them when those

ingredients could be traced back to a manufacturer. Further consideration should be given to this matter.

Mr. Deputy Speaker: Order. I must inform the house that if the minister speaks now he will close the debate.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I shall try to answer briefly some of the questions raised by hon. members who took part in the debate. However, I suggest that more specific answers to the questions raised by the hon. member for Moose Jaw (Mr. Skoberg) could be given when the bill is considered in committee. I assure hon. members that officials from my department will attend the committee hearings where they can go into specific detail on a number of questions the hon. member raised when he referred to particular clauses of the bill. When bills such as this were considered in committee of the whole hon. members will recall that there was a prohibition against referring to specific clauses on second reading. I am not taking objection to that being done now but I think it would be a far more beneficial use of our time if these questions were raised during hearings of the agricultural committee.

The hon. member for Kent-Essex (Mr. Danforth) dealt with the point of a farmer having to sue a manufacturer before being considered for compensation under this bill. That provision is in the bill, and perhaps I should read the words in the clause. They are:

—until the farmer has taken any steps that the minister deems necessary—

In defence of the public purse and the treasury we have to make sure that anyone who tries to claim compensation under this bill has taken all steps necessary to recover any loss or damage he may have suffered from whomever was responsible for it. I think there is considerable latitude in that provision, indeed, sufficient latitude so that the minister can be fair and just in considering what should be the necessary steps before a farmer becomes eligible for compensation.

Another point raised dealt with the establishment of complete safety in the use of chemicals before they are sold to the public. I think that is being too extreme. Had we taken that attitude years ago some of the progress we have made with herbicides and fungicides, many useful chemicals now available to farmers, in fact almost indispensable, would not have been made. Much progress would have been delayed. The hon. member for Kootenay West (Mr. Harding) referred to one bad case but there have been very few of them. Chemicals are tested, but to require absolute certainty that no residue will ever appear in subsequent crops, or in the food manufactured from those crops, would be too severe. As a result many useful chemicals helpful to farmers could not be licensed, and I do not think we should go that far. I think the record of performance over the years has been very good with respect to testing and labelling of these products.

• (4:50 p.m.)

The hon. member for Mackenzie (Mr. Korchinski) wanted to know whether or not compensation could be provided in the case of products that are not necessarily saleable. I should like to make it very clear that this bill is not for the purpose of compensating farmers for losses or to guarantee the efficacy of a chemical or even in respect of the damage a chemical might do. It is only to provide compensation to a farmer if by government action he is unable to sell his product. This is spelled out in one of the clauses. No compensation can be paid unless the Minister of National Health and Welfare (Mr. Munro) through the food and drug directorate does in fact prohibit the farmer selling his product. It must be a government action which does in fact result in loss of revenue or loss of income to the farmer. But if government action were taken, for example, to reduce yields rather than increase them or to do other things that did not involve contamination of food, this bill would not take care of that kind of loss. That, of course, would be a matter between the farmer and whoever sold or recommended any of these things.

When the government is involved as a result of the food and drug directorate prohibiting the sale of a product then there is compensation. I think it should be very clear that there can be no compensation paid unless the food and drug directorate has been involved in prohibiting the farmer selling his product.

The hon. member for Moose Jaw also asked about the terms and conditions that may be established by the Minister of Agriculture or the Governor in Council. Indeed, I think he asked who would make these regulations. I believe it is fairly clear it will be the governor in council who will approve the regulations under this act just as is the case in respect of all other acts, but of course they will be recommended to the governor in council by the minister who is responsible for

administering the act, in this case the Minister of Agriculture.

I do not wish to continue further because I am sure hon. gentlemen realize there will be a far better opportunity to probe into these details when the bill is before the standing committee on agriculture where greater information will be available to members.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture.

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 debated at the time of adjournment tonight are as follows: The hon. member for Winnipeg North (Mr. Orlikow)—Indian Affairs—proposed native task force to develop policies; the hon. member for Halifax-East Hants (Mr. McCleave)—Immigration Cases—instructions to government lawyers; the hon. member for South Western Nova (Mr. Comeau)—Transportation across bay of Fundy.

AGRICULTURE

PREVENTION OF INTRODUCTION OR SPREAD OF PLANT PESTS

Hon. H. A. Olson (Minister of Agriculture) moved the second reading and reference to the standing committee on agriculture of Bill C-154, to prevent the introduction or spreading of pests injurious to plants.

He said: Mr. Speaker, it will take me perhaps longer than until five o'clock to give the introductory and explanatory remarks on Bill C-154.

Preventing the introduction and spread in Canada of insects and diseases destructive to our farm crops and forests is one of the most important roles performed by my department. Prevention is essential if agricultural productivity and quality are to be maintained and if expensive control and eradication programs which add greatly to cost of production are to be avoided.

The need for effective safeguards has grown as the movement of plants and plant materials in Canada and between Canada and other countries has increased. The plant protection division of my department, which administers the Destructive Insect and Pest Act, last year issued more than 8,200 permits for importation of plants, plant materials and plant products and inspected some 282 million plants, 10,800 pounds of tree and shrub seeds, and 80,000 tons of plant products from 33 countries. There were more than 1,100 interceptions of plant parasitic insects and disease organisms, of which more than 500 were of serious nature.

The Destructive Insect and Pest Act, while it has served Canada well, was drawn up in 1910 on the premise that injurious insect pests and diseases would be excluded either by outright prohibition of host materials or by visual examination of plants and materials at the time of entry to Canada. However, the growth of international trade in agricultural products, the increasing speed of transportation and a greater knowledge of the risks involved has pointed to the necessity of introducing more modern inspection, quarantine and disinfection techniques. The new plant quarantine act, which we are proposing to replace the older legislation, provides for these newer techniques.

This bill, like its predecessor, provides authority for inspection and certification that plants and plant products being exported meet the requirements of importing countries and is essential in keeping the doors abroad open to Canadian products. Last year departmental inspectors certified for export more than six million plants, 20 million board feet of lumber, 1.4 million containers of fruit, two million hundredweight of seed potatoes, and above five million tons of cereal grains and cereal products. The standards imposed on these products by foreign countries have become increasingly stringent in recent years—a situation which makes it imperative that the department have greater authority to carry out inspection and certification programs which will ensure acceptability of Canadian products in international trade.

Prompt imposition of quarantines in affected areas is important in preventing the spread of insect pests and diseases throughout the country. One quarantine of long standing prohibits the movement from Newfoundland of certain articles and commodities capable of carrying the potato wart organism or the golden nematode. A somewhat similar quarantine was imposed on the southern part of Vancouver island following the discovery there of a golden nematode infestation in 1965. More recently, quarantine restrictions have been placed on the movement out of the province of cereal grain, hay and straw from two southwestern Ontario counties. The last

was imposed following the discovery of infestations of the cereal leaf beetle, a pest that could seriously damage cereal grain crops throughout Canada.

Although area quarantines are helpful in curbing the spread of insects and disease, there are occasions when effective control or eradication requires that individual farms be quarantined and restricted as to the kind of crops that may be grown. Such is the case with potatoes, the prime host of the golden nematode. Eradication of the nematode requires soil sterlization accompanied by a lapse in potato production for several years. But existing legislation does not provide the authority needed to restrict, from general or specific agricultural use, properties or premises which are infested or suspected of being infested. It will only take me about two minutes to finish, Mr. Speaker.

Mr. Baldwin: Agreed.

Mr. Olson: To provide the highest degree of protection against insects and diseases it it also vital that authorities have the power to control movement in Canada—and order their destruction if necessary—of plants which, although they may not be infested themselves, serve as hosts for disease-causing organisms. Such a plant is common barberry which is the alternate host of stem rust.

Tighter controls should be accompanied by a broader base for compensation. Under the existing act compensation may only be paid in cases where infested plants or crops are destroyed in the interest of pest and disease control. It is now proposed to provide authority to extend the grounds for compensation to cover certain situations where sale of plants or use of infested properties is restricted or prohibited. In addition, the provisions for appeal against levels of compensation paid, as provided in the Pesticide Residue Compensation Act, are being made applicable to this act.

• (5:00 p.m.)

Mr. Deputy Speaker: Order, please. 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 LABOUR (STANDARDS) CODE

PROVISION FOR THREE WEEKS ANNUAL VACATION

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading and reference to the standing committee on labour, manpower and immigration of Bill C-14, to amend the Canada Labour (Standards) Code (three weeks annual vacation after three years).

He said: Mr. Speaker, I move the second reading of Bill C-14 in a very hopeful mood. We are in the midst of a session during which all the indications are that we are going to do a lot of business. We are going to pass 40 bills in 80 days. We are moving ahead and clearing out the cobwebs and laying the groundwork for a new and more just society. This is what the papers tell us.

As a matter of fact, one of the most outspoken advocates of change is the Minister of Labour (Mr. Mackasey) who feels that the time has come for real improvements in the labour field. I think it can be said that he has already demonstrated that he means what he says. Therefore, since the bill I am presenting calls for a very modest step forward I cannot imagine that this house will do anything else but accept this motion and refer this bill to the committee in an attempt to get it on the statute books during this session of parliament.

As I say, the bill is a very simple one. It proposes that the Canada Labour (Standards) Code be amended in so far as it provides for holidays with pay. That legislation at the present time provides for two weeks holidays with pay for all employees who have at least one year's service with the same employer. The very modest proposal in Bill C-14 is that the Canada Labour (Standards) Code be amended to provide that any employee who has three years service with the same employer shall from that time on have at least three weeks annual holidays with pay each year.

I should point out that there are some collective agreements which provide even better holiday arrangements than are suggested in this bill. Likewise, there are many people in professional employment who gets this much or even more vacation in the course of a year. I am sure we all agree in principle that, with advancing technology, the need to distribute employment, and with the acceptance of the philosophy that we are here not just to work but to enjoy some of the benefits of work, it is little enough to suggest that workers in this country, certainly after three years, should enjoy at least three weeks annual holiday with pay.

I recognize that in the federal area we cannot legislate for all of the workers in this country but only for those who come under

federal labour jurisdiction, but there is a tendency in Canada for provincial labour laws to be patterned after federal labour law. I feel, therefore, that if we take this step here at the centre it will only be a matter of time until it will be the law across Canada.

I submit this bill confident that the idea behind it meets with the approval of all members. I hope that under these new rules, when on second reading we emphasized the fact that we are referring the bill to the committee for study, the disposition of the house will be to do that with this bill. I hope it will not be talked out. I ask instead that members agree to second reading and agree to its reference to the appropriate committee, so that before the end of this session we can make it part of the law of Canada that after three years workers are entitled each year to three weeks holidays with pay.

Mr. Charles Turner (London East): Mr. Speaker, I have read with interest some of the speeches made by the Minister of Labour (Mr. Mackasey). I must say that the Prime Minister (Mr. Trudeau) made an excellent choice for this very important cabinet post. The minister is a self-made man who a few years ago worked for 30 cents an hour. After long hours of hard work and study he has risen to one of the most important posts in this new government. I should like to congratulate the minister on his appointment because I believe he is the right man in the right post. Although he rose to the top he has never lost his deep concern for the working people of this nation, and he is keenly interested in all their problems.

Annual vacations with pay have been provided for by law in industry subject to federal labour jurisdiction since 1958. The first federal law, the Annual Vacations Act, required employers within its scope to grant their employees paid vacations of one week after one year of employment and two weeks after two years of service. This act was replaced in 1965 by Part III of the Canada Labour (Standards) Code which provides for a vacation with pay of at least two weeks.

I suggest that the government of this nation lead the way and take a good hard look at this bill so that employees under federal labour jurisdiction will be provided with three weeks annual vacation with pay after three years of service. I have always believed that if governments lead the way in matters concerning labour problems many labour and management disputes would disappear.

[Mr. Knowles (Winnipeg North Centre).]

We are living in fast changing times regarding employment possibilities in this great nation. We are being forced to retrain workers as they are displaced from their jobs owing to technological change in the industries of this country. I believe that by taking a good look at this bill we could create a great many new jobs as a result of increasing employment opportunities by perhaps 2 per cent. Vacation periods could be spread over a 12 month period and we could find full time jobs for many workers. True enough, company expenses would rise a little, but on the other hand we all have to contribute through various agencies to help support people who are unable to find work.

We must all realize that not everybody in this country can attend university and become lawyers, teachers, doctors, dentists, engineers and so on. Somewhere along the line people have to do the work in industries and it is up to us in this house to provide the necessary jobs so that men can provide their wives and families with the necessities of life and live with dignity.

Industries across this nation have in the past tried to be good members of our society, but sometimes they are slow to change with the times. I think it is time that the legislators of this nation established the best minimum standards and working conditions, and let collective bargaining take over from there.

The proposed standard in Bill C-14 of three weeks vacation after three years of employment with the same employer is still somewhat in advance of present practice in industry generally, although in the past three years there has been a trend toward this standard upon completion of a lesser number of years of service. The 1965 working conditions survey reported in the Canada Department of Labour publication "Labour Conditions in Canadian Industry, 1965" showed that for all non-office employees surveyed, approximately two million or 27 per cent received three weeks annual vacation after less than ten years service. The same survey showed that for all office employees surveyed, approximately 950,000, 46 per cent, received three weeks annual vacation after less than three years service.

• (5:10 p.m.)

The 1967 survey shows that for all non-office employees surveyed, two and a quarter million, 38 per cent, received three weeks vacation, 12 per cent of them after less than five years service. The same survey shows

that for all office employees surveyed, 1,100,000, 53 per cent, received three weeks vacation, 22 per cent of them after less than five years service. A further 51 per cent of non-office employees received three weeks vacation after periods of 10 to 15 years service, and 1 per cent received three weeks vacation after 15 years of service. In the case of office employees, 36 per cent received three weeks vacation after periods of 10 to 15 years of service, and 1 per cent after 15 years of service.

I believe these figures show that we are moving in the direction of three weeks vacation for all workers. I also believe that in our society we must change our thinking and that the time is ripe for making an advance with this kind of legislation. We ought to ensure that there are good minimum vacation standards for people in the labouring field, who need holidays more than any others. All people, whether members of this house or not, are aware that there are today increasing pressures on family life. It is also true to say that in most cases members of families do not know each other well; they do not enjoy the day to day contact which is needed for a strong family life.

We live in a society that is travelling so fast that both parents have to go to work daily in order to pay for the necessities of life. The only time the family can enjoy themselves as a family group is on Sunday and during the family vacation. It may not be possible to take action this afternoon in this regard, but I do hope this bill will be given serious consideration by parliament because as the affluent society becomes more and more productive it is our desire that it will no longer be necessary for people to continue to work as hard as they have in the past.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I appreciate Bill C-14 introduced by the hon. member for Winnipeg North Centre (Mr. Knowles). I agree with him that under the new rules the bill should go to the committee on labour, manpower and immigration and there be fully discussed. I listened with interest to the hon. member for London East (Mr. Turner) and noted the statistics he put on the record. They were most interesting and point up very well the necessity for the opposition to have adequate research facilities in order to deal with these important matters. The hon. member undoubtedly obtained his statistics and figures from the Department of Labour, as he had every right to do. This is one reason why I hope we will proceed very quickly to provide adequate research facilities for members of this house.

The hon. member for Winnipeg North Centre pointed out that in a number of contracts throughout this country in the private sphere, let us call it, annual vacations of three weeks are provided after the period of employment as set out in his bill. I believe this is one reason why the bill should go to committee, because there we could hear from officials of the Department of Labour and from the Minister of Labour (Mr. Mackasey) on this question. Persons from private industry could also be heard, and the committee would be in a position to assess this matter after having gone into it fully.

I know of cases where private industry follows this practice. I am thinking of the United Mine Workers contract in the Atlantic area. This practice is carried out there. This matter should be fully studied. This practice should be followed especially by crown companies which are subject to the laws of this parliament.

I am not going to go into the matter any further, Mr. Speaker, except to point out that the Annual Vacations Act referred to by the hon. member for London East was brought into effect by a Conservative government in 1958 and was absorbed into the Canada Labour (Standards) Code in 1965. I think the matter is important. This party believes that the bill should go to the committee to be fully looked into. The committee would then be able to make representations and recommendations to parliament for possible action.

Mr. David Weatherhead (Scarborough West): Mr. Speaker, it is a privilege to take part in the same debate with the hon. member for Winnipeg North Centre (Mr. Knowles) this afternoon. He is one of the most senior members in this house and his sincere concern for social justice is well known. Nineteen years ago, while in my last year of the modern history course at the University of Toronto, I wrote an essay for my professor, Mr. Frank Underhill, on James S. Woodsworth, the first leader of the C.C.F. party who held the seat of Winnipeg North Centre continuously from 1921 until his death in 1942. The present member for Winnipeg North Centre, who was elected to the seat on Mr. Woodsworth's death, had been a member of this house for seven years when I wrote that essay, and at that time I certainly had no idea that I would be debating with him in the House of Commons nearly 20 years later.

While checking into the background of Bill C-14 it was very interesting to read the debates in *Hansard* on similar bills that the hon. member for Winnipeg North Centre introduced in recent years. In August, 1964, the hon. member moved second reading of a bill to provide for three weeks vacation with pay to all those workers in Canada under federal jurisdiction, including railway, transportation and communication workers, bank employees, etc., as long as they had been employed by the same employer for five years.

The relevant federal legislation at that time provided for one week's vacation after one year's employment and for two weeks vacation after two years employment. The government speakers in that debate stated, among other things, that since a comprehensive labour code was going to be introduced by the Liberal government in the near future, amendments of this kind should not be made piece by piece in the meantime.

In 1965 the Canada Labour (Standards) Code was passed by parliament, which among other things provided for two weeks annual vacation with pay for all workers under federal jurisdiction who had worked for the same employer for one year. Then in March, 1967, the hon. member for Winnipeg North Centre moved second reading of a bill similar to the one now before us, calling for three weeks vacation after working for three years for the same employer. In October, 1967, a similar bill was again brought forward by the hon. member.

While only about one-tenth of the labour force in Canada comes under federal jurisdiction and the remaining 90 per cent under provincial jurisdiction, all labour legislation passed in Ottawa is important, not only because of its direct effect on the 10 per cent under federal jurisdiction but also because it should show the way for the provinces and give them the incentive to provide better minimum labour legislation for the 90 per cent of employees directly under their jurisdiction.

I believe the federal government should definitely lead the way in reform labour legislation, as in reform legislation of all kinds. However, since such federal labour legislation tends to be so influential on similar provincial legislation, the federal legislation has to be well considered and realistic because of its effect on the whole economy of our country.

[Mr. Weatherhead.]

• (5:20 p.m.)

As has been pointed out, only one province, Saskatchewan, requires three weeks paid holidays, and that after five years of employment, while four provinces require two weeks holidays, four provinces require one week's holidays, and one has no legislation dealing with annual vacations at all.

In the 1967 survey prepared by the Canadian Department of Labour only 12 per cent of non-office employees and 22 per cent of office employees in all industries received three weeks vacation with pay after working less than five years. The same 1967 survey shows that in industries under federal jurisdiction only 5.1 per cent of non-office employees and 6.6 per cent of office employees received three weeks vacation after working less than five years. Accordingly, an amendment to our Canada Labour (Standards) Code making three weeks vacation compulsory after only three years service would be too sudden an economic change, not only for the industries under federal jurisdiction but also too sudden for the provinces to implement in the near future for the industries under their jurisdiction.

I am sure everyone in the house is generally in favour of longer and longer vacations with pay, and with the rapid increase of automation and the resulting increased productivity of each worker there is no doubt that paid vacation periods will become longer and longer. I hope and expect that federal labour legislation will be in the forefront in promoting this. I do not wish to be harsh but while the general intent of the hon. member's bill is commendable, it shows the lack of practicality and responsibility which members of his party often portray, because they know that they will never have to assume the reins of government and so will never have to try to carry out any of their proposed legislation. It would have been just as easy and had as much practical effect if the hon. member had proposed three weeks holidays after two years service or three weeks holidays after one year's service since the hon. member knows that he will never have to take the responsibility for any such legislation as a member of a government party.

In addition to two weeks paid vacation after one year of service the Canada Labour (Standards) Code also insists on eight legal holidays with pay as a minimum requirement for industries under federal jurisdiction. The provisions in the Canada Labour (Standards) Code are, of course minimum provisions and

there is nothing to prevent the negotiation of longer paid holidays by collective bargaining between union and management or between an individual employee and employer in cases where there is not a union.

A great number of collective bargaining agreements provide for three weeks and longer vacation periods, but very few have obtained them for three years employment or less. I suspect the reason for this is that the unions themselves do not generally believe it is reasonable to ask for three weeks vacation after only three years of employment, and so they press for matters which they feel will be considered more reasonable, namely, increased wages, better working conditions, more attractive pension plans, etc.

In the debate on a similar bill in March 1967, referred to previously, the hon. member for Egmont (Mr. MacDonald) who represented the former riding of Prince at that time, spoke quite clearly on the need for longer vacations because of the ever-increasing pressures of modern life on the family unit. However, he went on to discuss the problems of longer periods of leisure for most people who have not learned to use their leisure creatively.

I certainly hope and expect that we will be able to keep increasing the minimum length of paid vacations by amending existing federal labour legislation from time to time and that in the meantime the federal government and all levels of government will encourage and actively support various types of programs that will enable people of all ages to learn to use their leisure time more happily and effectively.

In conclusion I would like to say that a three week annual vacation with pay for a relatively short term of employment is on the horizon and will be commonly accepted within a few years. However, for present economic reasons the bill before us this afternoon is a little premature.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I should like to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for his Bill C-14. It seems to me that the federal labour code is continually being shortcircuited by collective bargaining and by labour unions negotiating the basis of contracts and fringe benefits in various parts of the country, and that we have found it less necessary to amend the labour code in order to provide definite guidelines or laws with respect to the length of vacations that we think our people should have. On the one hand we co-operate with the labour unions through our manpower and labour departments. We try to work in co-operation with them so that they can institute collective bargaining and handle the vacation and pay aspects. On the other hand it is being suggested that we should establish just what these should be by providing three weeks vacation after three years of service.

I presume it would be somewhat dangerous for me to say that employees should not have three weeks vacation, and I will not say it. However, I am concerned about vacations which become periods of moonlighting. While I agree with my good friend, the hon. member for London East (Mr. Turner), I must say that if people definitely went on vacations I believe it would be of great assistance to the Canadian economy. One of the problems I have noticed over the years, especially in recent years when people have had so much spare time anyway, unless they happen to be members of parliament, is that a great deal of moonlighting is taking place in people's spare time. This creates a problem.

It is my belief that we should endeavour to increase productivity so as to reduce the inflation which is confronting us at present and in this way earn a three weeks vacation which can then be taken and enjoyed. I firmly believe, as does the hon. member for Winnipeg North Centre, that people are entitled to this holiday and should have it. I may say that I am a little confused by the proposed section 16 which reads in part as follows:

> —provided however that every employee who has had three years of continuous employment by one employer is entitled to and shall be granted a vacation with vacation pay of at least three weeks.

I wonder if this could be explained for my benefit because it seems to me it should read: "shall be granted a vacation with pay or vacation pay of at least three weeks." In other words, I do not believe it is required in the labour code that if a person received a vacation he should also receive vacation pay. In this case it would have to be 6 per cent, as I understand it, over and above the regular pay he would get when taking a vacation.

• (5:30 p.m.)

There is a great deal of work to be done in Canada in cementing relations between labour and management. Labour organizations must accept responsibility as soon as possible for taking a fearless look at the problem of productivity. At the same time, they must receive our support in seeing to it that

people who work a given number of hours receive the vacation that is due them; that productivity in Canada is stepped up; and that we are all able to enjoy a much rosier economic picture than is in view at this time.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, perhaps the most qualified people to speak on the advantages of a three-week vacation are the members of this house who have just enjoyed one. Indeed, they might add to what has already been said about the advantage of having three weeks instead of two, because if we had only two weeks we would have returned here a week ago. I think we might also relate the question of holidays to the question of productivity. I am not so sure that in embarking upon this type of analysis I would agree with the conclusion expressed by the previous speaker.

This subject is certainly one which has engaged the attention of people throughout the world. Perhaps hon. members might be interested in a few remarks which were made 14 years ago in Geneva on the occasion of the 37th session of the International Labour Conference by one of the delegates who gave a brief analysis of what, in his opinion, an annual paid holiday meant. He said:

> There is no doubt that annual paid holidays have biological, social and economic objectives. First, they enable the worker to recuperate psychologically and physiologically, after his hard year's work. Secondly, holidays enable him to change his surroundings and engage in cultural recreation, sport or travel; this is socially useful as well as providing a solution for the fatigue problem, for rest without change is not sufficient for him to recover his strength and his ability to do his job. This brings me to the economic objective, for the holiday enables the worker to recover his productive power.
>
> However, scientific experiments have shown that in order to achieve these objects it is necessary that the holiday should not be less than two weeks, for if it is shorter the worker will return to his employment without having recovered his biological balance.

On that occasion the convention endorsed and ratified the principle of two weeks' holiday after one year of employment. As I say, this was 14 years ago at a time when automation was perhaps just beginning to make itself felt.

The bill as placed before the house by the hon. member for Winnipeg North Centre (Mr. Knowles) is one which perhaps deserves thorough analysis, if only for the reason that a 50 year old employee who because of automation and dislocation in industry has to change his employment from one company to another under federal jurisdiction would find himself

[Mr. Pringle.]

starting again at the bottom of the ladder, thus receiving shorter holidays than an employee aged 23 who commenced employment three years before at the age of 20. Such a man at age 50 would perhaps require three weeks' holiday far more than his junior colleague.

We are living in a time of automation which requires dislocation of employment. Therefore rigid approaches to questions of holidays may not be entirely suitable. It seems to me that while the federal government has to set the pace in certain broad areas, and will do so, at the same time it has to approach the matter in a flexible manner, perhaps reflecting in its deliberations and final decisions a concept of holidays that is related to the age of the worker.

We all know that a worker at the advanced age of 60 might require a longer holiday than a worker aged 25 or 30. Therefore I think the whole question requires study. Rather than boxing it in within the scheme proposed, we should study the question of dislocation caused by automation and the development of human resources. We might perhaps ask the question: Why only three weeks after three years? It might well be the case that a longer holiday is required in certain segments of industry that warrant it and a shorter holiday in others that do not. As some hon. members have already indicated, there has to be a certain relationship between holidays and productivity.

I agree we must recognize the fact that the federal government sets the pace for the private sector, and an initiative of this kind would have this effect. But rather than go into the question in this manner it seems to me we should approach it in greater depth, and before making a final decision analyse all of the factors that I have briefly outlined.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, it is with great pleasure that I shall give my opinion on the bill brought forward by the member for Winnipeg North Centre (Mr. Knowles).

It is obvious at once that this bill will meet the approval of all legislators, who must necessarily be interested in the Canadian workers' lot.

In view of the constantly increasing pace at which our society is evolving, we know that owing to the progress of technology, the number of working hours is bound to decrease, and that consequently within a few years, we shall have to give serious consideration to

organizing the leisure of the Canadian people, who, may be, will want to specialize in the field of research, in order to further develop our country and the rest of the world.

• (5:40 p.m.)

Of course, the purpose of the bill is readily understood, since the title is as follows:

An Act to amend the Canada Labour (Standards) Code (Three Weeks Annual Vacation after Three Years).

Theoretically, this is a very good thing, but a hasty application of this measure would probably result in numerous complications.

At present, under the Canada Labour Code, if I am not mistaken an employer is required to grant an employee two weeks vacation with pay after a year of employment.

I think it is necessary to add, and I emphasize the fact, that eight days of vacation with pay, eight statutory holidays, are granted anyway according to the Labour Code, over those two weeks vacation.

The honourable member for Winnipeg North Centre, as I said earlier—if my memory serves me right—always shows a great deal of perseverance and consistency in his views. I think that we can congratulate him for this positive approach which he has always cultivated and which can be rated among his good intellectual habits.

In fact, we can notice that the sponsor of this bill already introduced a similar bill in April 1965. He also introduced one in 1964 when he suggested that a three weeks annual vacation with pay should be granted to an employee after five years of employment with the same employer and I notice that, at the outset of the debate, the honourable member for Halifax recalled the basic principles which had been used when preparing the Canada Labour Code.

The code was based on the principle whereby it was important to set up minimum standards because it could be dangerous for the balance of our industry to aim towards standards setting up too high maximums. In order to adopt such measures, in spite of the good intentions of those who wished to introduce them, we are still convinced that several years of research or experience are necessary.

I have opposed the opinion formerly expressed by the member for Villeneuve (Mr. Caouette) when he said that by implementing such a measure overnight once again the consumer would foot the bill, once again mothers and small wage earners would suffer heavy deprivations. The honourable member mentioned also the financial difficulties the adoption of this act could mean for small Canadian industrialists and businessmen.

The standards proposed by the bill stipulate a three-week holiday after three years of employment. Those standards outdistance by far present practice in industry, not only that which falls within federal jurisdiction, but industry in general. Looking at working conditions in the Canadian industry in 1964, as reported in a publication of the Department of Labour, and in the industries that fall within federal jurisdiction, we note that this practice is far from a minimum and far from general. Instead of generalizing it, a study should be made of the evolution through the years.

We then see that only 12 per cent of the employees, other than office personnel, have three weeks off after less than 10 years of employment. Of all employees, office and others,—of which there were 2,500,000—15 per cent only had a three-week holiday after less than 10 years of service. Granting three weeks of holidays after relatively short periods of service was far more general amongst office personnel, perhaps because of the more sedentary nature of the work. Numerous other statistics could show us how complicated it would be to apply this legislative measure immediately. Looking at figures, for instance, in the article "Vacations with pay 1964, all industries", we note that:

• (5:50 p.m.)

[*English*]

Total number of reporting units, non office employees, 19,057. Office employees, 19,267.

[*Translation*]

The number of those who enjoy a three weeks annual vacation with pay, after less than ten years of service, amounts to 15 per cent while for the office workers, the proportion is only of 26 per cent. After ten years of employment, for the non-office employees, the proportion is 22 per cent compared with 26 per cent for the office employees.

It is clear that for most businesses which give three weeks annual vacation or more to employees with several years of service, the length of service is much more than three years.

It would be advisable also, I think, after a study of what happens in practice with regard to vacation in the industry and businesses in general, to study the policy followed by the provinces.

In Saskatchewan, for example, according to the Labour Code, employees can enjoy two weeks annual vacation after one year, and three weeks after five years.

Three other provinces, Manitoba, Alberta and British Columbia, legislated so that the employee would have two weeks annual vacation after one year of service.

Four provinces, Nova Scotia, Quebec, Ontario and New Brunswick, legislated so that the employee would only get one week vacation.

Two provinces, Newfoundland and Prince Edward Island, have passed no legislation on this subject up to now, at least as far as I know.

With regard to the Canada Labour Code, we know that the labour standards came into force on July 1, 1965. With this code, the vacation period extended from one week to two weeks for employees with one year of service, taking into consideration the eight general statutory holidays—the eight non working days—with pay, as I mentioned earlier. That was, a few years ago, a substantial improvement in the case of numerous employees.

A proposal such as the one in the bill now under study, that would increase substantially the standards concerning annual vacations, could hardly be seriously considered at this time. I think it would also be wise to consider the International Labour Organization in this field.

According to the 1964 statistics, a group of experts has already completed the study of that problem throughout the world and come to the conclusion that there was a tendency to extend the vacation period in numerous industries.

As regards the future, one would obviously hope to grant three weeks annual vacation, but not at this time, because of the complexities involved and of the general practice.

It is, at present, the best solution. Such was my opinion in the past as it still is now. I believe it is in accordance with the principles of our party and with the respect due to private enterprise.

When I think of private enterprise, I do not think only of the boss or the owner but of the employees also. That is why I find it normal, since a reasonable minimum is already provided in our Labour Code, to leave to collective bargaining the task of setting the length of the annual holidays in relation to the years of service and of discussing the matter with the bosses taking into account the nature of the industry, the work, the number of employees and a host of other conditions we all know. We must all ask ourselves how far the legislators should go when setting minimum standards for working conditions, without interfering in the field of collective bargaining, and I think that it is one of the basic principles which inspired the people who drafted our Labour Code—and who are still working on it—to improve our labour legislation and the lot of the Canadian workers.

Where the labour market is steady enough to enable an employee to accumulate several years of continuous employment for the same employer, it seems that there is no obstacle to an effective trade union organization. The present government, just like those preceding it, has taken a great interest in the improvement of labour conditions. In fact, we know that the question of holidays, of annual vacations, holds more and more the attention and to what extent the Minister of Manpower and Immigration (Mr. MacEachen) and the Minister of Labour (Mr. Mackasey) concern themselves in retraining our labour force, in order to enable it to play an effective part in our country.

Our Speeches from the Throne, which always reflect the principles of our governments, have never neglected the labour policy, as shown by the legislation passed during the last session and by the bills now appearing on the order paper. It is obvious that in all areas of Canada, we must have healthy workers and that we must take their needs into account by granting them reasonable holidays. But the government which is responsibly playing its part cannot infringe on the rights and privileges of the Canadian people. This is why we are always striving in that field to provide maximum justice.

The Acting Speaker (Mr. Béchard): Order. It being six o'clock, the hour for consideration of private members business has expired and the house will resume its business at eight o'clock.

[*English*]

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

AGRICULTURE

PREVENTION OF INTRODUCTION OR SPREAD OF PLANT PESTS

The house resumed consideration of the motion of Mr. Olson for second reading and

reference to the standing committee on agriculture of Bill C-154, to prevent the introduction or spreading of pests injurious to plants.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there are two sentences I ought to add to complete my explanatory remarks in respect of Bill C-154. The legislative changes proposed are not expected to result in any increased expenditure that would not have occurred under the provisions of the existing legislation. The adoption of new techniques will result in the reorientation of resources rather than the need for additional ones.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise on behalf of our party, the official opposition, to say we support wholeheartedly the intent of this bill, C-154, to prevent the introduction or spreading of pests injurious to plants. Any legislation which can strengthen the hand of the Department of Agriculture is certainly welcomed by farmers and by the citizens of this country generally. I think we should have nothing but praise for the plant protection division of the Department of Agriculture which has done a great deal over the years to protect the producers of agricultural products from the ravages of pests. Sometimes these pests come into this country quite unknown to the individuals who bring them in but are spotted by officials of the department. So, we welcome this legislation. There can be no argument about that.

The minister has indicated there will be ample time before the standing committee on agriculture to examine the various clauses of this bill. Any necessary amendments or changes can be proposed and discussed with the officials of the department. I believe it is only common sense that we should support this legislation. I propose to be very brief because I sometimes think we waste a lot of time saying that we approve of a bill. Perhaps the minister could tell me whether this bill would limit in any way the bringing in of insects for study by the people in our research laboratories in order that they may gain useful information in this manner. I presume safeguards will be set up. We know that across our country there are research laboratories where the effect of pests is studied and evaluated.

In respect of the common sense approach to this subject, we need only look around us to see examples of situations in which insects have been transplanted into the country in order to control other pests. This practice sometimes causes a great deal of damage and upsets the balance of nature as well as the whole scheme of things.

We do approve of this measure and there will be more said by members of our party when we examine it during the clause by clause study before the committee on agriculture. In concluding my remarks, I reiterate our support for this measure.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in making my remarks on this bill I shall endeavour to be very brief. I know it is almost as surprising to the Minister of Agriculture (Mr. Olson) as it is to me that I am talking on a bill of this kind. However, I shall be brief because one of my colleagues is anxious to speak to the next bill. There is no question but that members on all sides of the house approve of the kind of activity the national Department of Agriculture has been carrying on in the field of supervision and control over import and export of plant, vegetable, animal and insect life.

Man has always been making great efforts to play around with his environment in an endeavour to control it. Sometimes the extent of the repercussions of this playing around have been somewhat painful. When mankind has tried to introduce various and sundry plant, animal and insect life into his environment in the hope it would help him, even if the help is only of an aesthetic nature, sometimes the long term effect has been, if not harmful to health, at least a pain in the neck.

One can think of examples such as the sparrow, the starling and the Colorado beetle which are hardly native to Canada. Then, there is the spruce budworm and the Dutch elm disease which we still cannot learn how to control now that they are here. I do not envy the Minister of Agriculture and his officials who will have to make very great efforts in order to bring this type of thing under control. In Saskatchewan a story is told about a person who claimed an exemption on his income tax. He said a horsefly got in with the bees and all the honey tasted like horse manure, so he could not sell it.

In respect of the import and export of what this bill calls pests I might say that I always considered these insects to be Liberals, but the bill gives a much broader definition. Of course, my interpretation includes various and sundry plant life as well. Seriously, may I suggest that while a very good job is being

done with regard to the supervision and control of the import and export of these commodities, there is a need for further control. This control needs to be extended to a greater degree inter-provincially, and when provinces fail to do an adequate job in this field within their own boundaries I hope the minister and his department will not hesitate to act. There have been instances of plant and insect harm within provinces when provincial governments have failed to take action. I hope the department will act in such cases, even though it might be said that, according to a narrow interpretation of our constitution as it stands, the federal government does not have jurisdiction.

• (8:10 p.m.)

I was pleased to hear the minister report on the number of permits issued. It sounded very good when he said that his people have inspected 282 million plants. I suspect these were in bulk lots. In any event, that is a great volume to oversee and the department must have been reasonably successful in overseeing the importation of that number of plants since we are not aware of the outbreak of any kind of plant disease as yet.

It is also my hope that what takes place in private circles in experimenting with plant and insect life is supervised very closely by the department. I am sure this is being done. From what I have been able to read about what can be done genetically in terms of insect life I understand that the destruction of one kind of insect may lead to repercussions in respect of that insect life several generations later. I must admit that, as a layman, when I mention this matter I do so in order that the minister and his staff will be able to educate me and other hon. members to a greater extent.

In this regard, I suppose the department also concerns itself with individuals, such as tourists, who might bring plants or insects from other countries. I hope the officials at the ports of entry and exit will, with all tact possible, examine carefully those plants which could harbour insect or bacteria life harmful to this country.

There is no quarrel on the part of this group with the intent and purpose of this bill. We may ask other questions and seek more information when it is before the committee. As to the general nature of the bill as it now stands, it certainly has the support of the members of this group.

[Mr. Benjamin.]

Mr. Deputy Speaker: Order. It is my duty to inform the house that if the minister speaks now he will close the debate.

Mr. Olson: Mr. Speaker, I simply want to say in closing the debate how much I appreciate the complimentary remarks which have been made by hon. members regarding the activities and functions of the Department of Agriculture in attempting to control the spread of disease among plant life. The hon. member for Norfolk-Haldimand (Mr. Knowles) asked a specific question in reference to this bill limiting the importation of insects. The answer is no, not exactly, but there are provisions for the introduction of insects for research and that sort of thing. This will be done under conditions to prevent their escape. There will, of course, be much more detail available to hon. members in respect of each clause and, indeed, an extension of some of the statistics I have given if members are interested when we consider the matter before the standing committee on agriculture.

Mr. Deputy Speaker: 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 agriculture.

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENTS RESPECTING COMPENSATION APPEALS, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved second reading and reference to the standing committee on agriculture of Bill C-156, to amend the Animal Contagious Diseases Act.

He said: Mr. Speaker, the proposed amendments to the Animal Contagious Diseases Act embody two major changes. One deals with the way in which compensation rates are set for animals ordered slaughtered. The second provides for an appeal by the owner against a compensation award under the act.

For the past 43 years the federal government has compensated owners of animals that have been ordered destroyed under eradication programs for Johne's disease, brucellosis and tuberculosis.

Up to now, compensation rates have been prescribed in the act. From 1925 to 1949 the compensation rates were a maximum of $60 for grade cattle and $150 for purebred cattle. The basis for this compensation was two-thirds of the value of the animals slaughtered.

In 1949, the compensation rates were revised to provide a maximum of $40 for grade cattle and $100 for purebred cattle. The full value was paid up to the maximum rate. In the last revision in 1968, rates were established at a maximum of $70 for grade and $140 for purebred.

The owner's total return for an animal ordered slaughtered is the meat salvage value plus the compensation awarded by the government. Where the sale of the animal's carcass is unlawful an additional amount equal to the value the carcass would have had if the sale were lawful is paid by the government.

The proposed revision retains this provision so that the farmer would either be able to recover the meat salvage value by selling the carcass or, where this is forbidden, by recovering the carcass value from the government. The amendment provided is that compensation rates would no longer be set by the act. These maximum rates would be established by the governor in council. This would allow a more flexible approach to compensation. Value of purebred livestock and, indeed, of grade dairy cattle for instance, can change markedly even within a year's time.

The second change being proposed is the amendment to provide for appeal against a compensation award. At the present time no such appeal is available. The amended act would permit the owner of an animal ordered slaughtered to appeal against the amount of the award or to appeal where no compensation is awarded at all under the appeal provisions included in the pesticide residue compensation act. The appeal privilege would not delay the destruction of diseased animals.

This bill, C-156 relates directly to some of the provisions of Bill C-155. I am not going to go over them, but the procedures there are the same. Bill No. C-156 cites Bill C-155 and its provisions as the procedure used when an appeal against compensation is being made by the farmer.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, we in this party are very happy to see Bill C-156 come before the house. We realize that with changes in farm practises, changes in compensation have been long overdue. In the past farmers have been paid at a very low rate for animals which have been destroyed once they were contaminated by a contagious disease. This has caused great hardship. In some cases, for instance in respect of dairy herds, this has driven particular farmers into bankruptcy. We think this bill will give the individual farmers much more insurance. We are also very happy to note that the farmer will have the right to appeal against the judgment of a particular assessor.

• (8:20 p.m.)

In this light we think the bill certainly has merit and we go along with it in every respect. I know it is very closely related to the bills we have been discussing today and we believe it is a step in the right direction in the field of agriculture. I note there are some other fields that are not covered by the bill. At other stages of the bill these matters can be given consideration. I am sure that farmers in some other fields are subjected to loss because of contagious diseases contracted by their herds and I think it is only fair that they should be compensated. Perhaps their herd contracted the disease through no fault of the farmer. I know many farmers whose herds have been afflicted with rabies. They have been compensated to a degree but the farmers themselves have had to undergo long and very painful treatment. They have perhaps been doctoring their animals for some period of time and have been in contact with the disease. If the farmer has a scratch or any opening to his bloodstream he can become affected by the disease.

I know that the likelihood of this happening is very small, but it is a matter that I would like to see considered. I am sure that in all fairness the minister will, in the later stages of this bill, see fit to deal with this question.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, for a long time the matter of changing the compensation in respect of animal contagious diseases has been under consideration by a committee of the house; in fact, ever since I have been here. I presume there are few members in the house who remember the problem that developed in respect of scabies in sheep and the political repercussions of the Gardiner days with regard to that problem. Therefore I ask, why has September 26 been chosen as the cut-off date? Has it any significance? I presume the Minister of Agriculture (Mr. Olson) expected us to pass this measure long before now, and that is the significance.

The matter of compensation is a unique one in terms of animals that are slaughtered, in that the nation's agricultural community is always concerned when there is an outbreak of a contagious disease. I can remember back to those days when there were throughout the

country dozens and dozens of herds that suffered contagious abortion. These herds were kept and milked. There was nothing wrong with maintaining a brucellosis herd. These cows continued to give milk and were part of an economic unit.

I am not suggesting that we go back to those days, because I think Canada should be very proud of the job that has been done by the Canadian veterinarian service in the eradication of this and almost every other contagious disease in the animal field. The job that has been done with regard to brucellosis control has meant that most of the farming areas in Canada are brucellosis free. The eradication of this disease has been brought about over a period of time and, with a great deal of education, has been highly successful.

Therefore there will not be many cases of brucellosis. There will not be many epidemics of t.b., scabies or any of the other diseases faced in the agricultural field. There are three diseases that we, hopefully, will not have to face in epidemic proportions. One is foot and mouth disease, which of course is in a totally different category from the other diseases about which we have been speaking because in the case of the contagious diseases of scabies, brucellosis and t.b. it is not likely that they will again reach epidemic proportions.

We go into an area and ask a farmer to allow the government to control his herd until the disease is eradicated. We will be doing this not only to the advantage of the farmer but in a wider sense to the advantage of the community and the whole area. This is very true in respect of brucellosis control. For this reason, I do not think we should be so niggardly about the compensation that we pay. If a person has a good herd, the compensation that will be paid by order in council will probably not be much more satisfactory than that paid under the present regulations.

If a farmer has a low grade herd which has contracted brucellosis, the meat can be used and if meat prices are reasonably high he will, with the compensation, probably realize the value of the animal. I suppose it is very difficult to talk about an average in this regard, but I presume that the average, registered dairy cow today is worth approximately $700 to $800. Some of them run as high as $40,000, and I suppose they go down to $250. But the average would, I think, be well over $700. Why, then, should we ask the farmer to bear the whole brunt of the brucellosis control in his area when he may not have had anything to do with the introduction of brucellosis? Therefore I suggest we should be much more generous in this field and make payment on the basis of fair sale value. If the cow is worth $700 we should make up the total value of the animal, taking into consideration the sale of the meat. We should make a settlement on the basis of the total value of the animal. This is not very much. Last year we paid out a very small amount of money in respect of this control.

However, one of these days, unfortunate as it may be, we will again have an epidemic of one of these animal diseases. We are no more immune to an outbreak of anthrax or foot and mouth disease than other countries which established these kind of controls a long time ago. There is no reason why a farmer would try to cover up the disease for a period of time because everyone in the agricultural community realizes that it must be taken care of at the earliest possible date.

We saw last year in England the eradication of a large percentage of the agricultural production in certain sections of the dairy industry. Canada should be proud of the assistance given by the Canadian veterinarian department which went to their aid on that occasion. But this was a calamity; it was a major emergency. I would like to see the retention of any control under the Animal Contagious Diseases Act that will work toward the immediate eradication of a disease that is contracted by a herd. I suggest that the minister has no legitimate reason for not listening to the representations made by every farm organization for fair value for the animal that is slaughtered.

The regulations that will be passed will not be in that field. If they are, let us make them the regulations and let us say so. This raises another problem. Nobody in this country will be more busy than the governor in council if we continue referring all decisions in respect of regulations to that body. I think we should make the regulations and decide that compensation paid should be on a fair value basis. The minister is to be congratulated for making provision in the bill for appeal, but I think fair value should be the basis for the payment. It should not be a matter of deciding that so much will be paid for pure bred cattle, so much for grade cattle, etc. Compensation should be based on the fair replacement value.

• (8:30 p.m.)

There might be another outbreak of foot-and-mouth disease at which time a farmer may lose his whole herd through no fault of

his own. The fact that he may get this kind of compensation or even double this compensation will not replace the herd that he has lost. We are not speaking in terms of large amounts of money. Last year we paid out $680,000, and the year before we paid out $600,000, to which we added the rabies assistance program. This is another program which should be included in the Animal Contagious Diseases Act and which should be administered by the federal government. In 1967-68 we only paid out $21,000, and in 1968-69 we appropriated $21,000, some of which was not used. We pay only two fifths of the amount that the provincial governments pay and the provincial governments have a totally different concept of the value of the animals than we have.

I agree with the hon. member for Victoria-Haliburton (Mr. Scott) that the rabies prevention program should be included in the act and that some consideration should also be given to the people affected because the amount of money necessary for the large number of shots required is considerable. I understand that 21 injections must be given over a period of some weeks, and I expect that the pain suffered is quite considerable. We cannot provide protection by any simpler means. I suggest therefore that the minister should give consideration to an amendment which would bring the rabies program into the act. Rabies is one of those odd diseases which involves wild life. The rabies epidemics fluctuate greatly, as I have seen in my area as well as in other areas. An epidemic starts for no apparent reason, and so far as the farming community is concerned the problem is very serious for a period of perhaps two years, following which it disappears for some time.

It would appear that the rabies eradication program will have to be undertaken on a broader scale than programs for the eradication of most other animal diseases and prophylactic measures taken. However, the federal government has a better record in the eradication of these diseases than have the provincial governments. I suggest that we should not pay two fifths of the cost of the provinces for the eradication of animal diseases but that we should rather introduce a program on a national scale with the assistance of the provincial governments. As I said, this has not been an expensive program. Nevertheless more money could be spent on it with greater success because the amount necessary has not varied much over the last eight or ten years. I am sure that this winter there will be outbreaks of rabies in this area and I am sure the matter will be raised again.

The efforts which have been made by the Department of Agriculture in the eradication of these various diseases are very commendable. I think the officials of that department would be the first to agree that Canadians have been very co-operative in the carrying out of these programs. The co-operation which has come from the Bruce county area has been quite surprising. I can well remember the time when whole herds were diseased and farmers were buying the cattle and shipping the milk. This was only 25 years ago. So, the eradication program has been gradual and it has been successful. We should not put this heavy obligation solely on those who have been involved. They also have a great deal of other expenses beside the replacement of cattle. As the minister probably knows, barns have to be disinfected, a complex operation, and when barns and barnyards are disinfected some pastures have to be closed for a period of time. The federal government inspectors take over that operation which leads to a great dislocation of the whole farm operation. This assistance has been provided successfully and fairly voluntarily.

I suggest therefore the minister should not turn this responsibility over to the governor in council. It should also be remembered that a great deal of work is turned over to the governor in council by each department of the government, so that in the end they will be the busiest people in Ottawa. We could easily solve this problem by writing in a fair replacement value for the animals that are lost, taking into consideration grade cattle. They can be more easily replaced than purebred cattle. A purebred does not necessarily mean an expensive animal, but the replacement value should be fair. If it happens to be the top animal in a man's herd, it does not have an average value but rather a set value. I do not think the course advocated would greatly raise the amount that would have to be paid in compensation. As I said, not much over half a million dollars was paid out last year. We have a large agricultural community in Canada and this amount of money does not seem excessive for the eradication of contagious diseases.

I hope, therefore, that the minister will consider the inclusion of a clause providing for replacement value rather than leave to someone else the decision as to how much should be paid. The minister is to be congratulated for including the appeal clause, to which I have no objection.

In closing may I say also that I have no objection to the inclusion of the date of September 26, 1968 except to ask the minister whether it has any other significance than to indicate the delay in passing this legislation because of certain other events.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I have the honour to represent a mixed territory, that is a territory where industry and farming live side by side, and as far as cattle breeding is concerned, there are many model farmers in my region because they do everything they can to improve their herds as much as possible.

One knows, for instance, that over the last ten years many of those farmers took advantage of the services provided by the artificial insemination centre in Saint-Hyacinthe and for 50 years those cattle breeders have been choosing their breeding stock with the utmost care. They never hesitated either to make rather important purchases of better developed choice animals when the results expected from their cattle were too long in coming.

Finally, I can say that during that period those farmers benefitted to a great extent from the advantages put at their disposal by the provincial and federal governments, such as the grants for the purchase of good cattle as well as the advice about feeding and other matters given by the government technicians. It goes without saying that such an improvement does not come about without the cattle breeders spending large sums of money, since the operation costs of a farm have been increasing from year to year.

Thus, Mr. Speaker, at first sight Bill No. C-156 now before the house could make us happy because it proposes amendments to increase the compensation to be paid for animals to be destroyed because of contagious diseases. In fact, experience has taught me that the present compensation was not very fair in view of the economic changes the farmers must take into account, and the amount of $70 for destroying grade animals, as well as the amount of $140 for pure bred animals, which was set in 1958, is clearly not enough if one considers that a Holstein cow values between $175 and $200 ten years ago is now worth between $450 and $600. I will not go as far as to insist on the figures quoted by the previous speaker who mentioned a cow worth $40,000, because there are only one or two in a constituency. At any rate, we have generally referred to cattle worth $500 to $600

and for all those reasons an amendment to the legislation is essential.

However, the main object of the bill is to withdraw the amounts paid as compensations and the following recommendations can be read:

> His Excellency the governor general has recommended to the house the present measure to amend the Animal Contagious Diseases Act to remove from the act the amounts of compensation specified for the horses and cattle slaughtered pursuant to the act and to permit the governor in council to prescribe maximum amounts for such compensation;

• (8:40 p.m.)

In my opinion, Mr. Speaker, that bill will give rise to patronage and I quote paragraph (b) of section 1:

> —such value to be determined by the minister or by some person appointed by him for that purpose.

Mr. Speaker, there is no problem, because as stated by a Montreal commentator, the minister is well-informed about cows since he owns 250. At the present time, the minister is assisted by technicians—former members of the *Coopérative fédérée* and farmers—and I feel that it is no longer necessary to worry about the bill now under consideration. But let us suppose that one day or another a minister is inexperienced—it has happened, Mr. Speaker, because he may be a lawyer or an economist, in short, a person who has never seen a cow and could barely tell a dog from a cat—he could refer to another provision of the legislation, because in fact, it has been specifically expected that mistakes could be made and I quote:

> —to provide also for an appeal by the owners of animals slaughtered where no compensation or less compensation than the maximum prescribed is awarded to the owners.

Mr. Speaker, in such a case, if the minister is not sufficiently informed, he would be compelled to appoint someone who would be in a position to apply the act adequately. However, if the person who has been elected is a Liberal condidate who, for instance, was defeated in the last election, and goes in a riding to assess the herd of a Conservative, of a Créditiste or a political organizer, one can imagine what kind of assessment this will be. In a case like this, the farmer will have to appeal again to the board. I am quoting section 2, which says that an ordinary civil servant is to assess the value:

> —where no compensation is awarded for that animal on the ground that the failure to award compensation was unreasonable.

One can easily imagine how easily a farmer will be sent packing. I am quoting further:

> Every appeal to the assessor referred to in subsection (1) shall be brought within three months from the date the owner receives notification of the decision or the compensation that is the subject of the appeal or within such longer period as the assessor may in any case for special reasons allow.

Mr. Speaker, I repeat that this is just political manoevring, which will only result in arousing discontent and creating problems which will have to be solved by other civil servants.

I submit we have enough civil servants as it is. Are we going to hire some more people to correct mistakes? Though it is rather complicated, but it is a way of hiding the unemployment situation.

The fact that the rate of compensation was changed only twice in 20 years proves that we have allowed ourselves to be outdistanced in that field. Standards must be set ahead of time to ensure compensation that is proportionate to the losses incurred. To my mind, those standards are also necessary to give renewed confidence to the stock-breeder and keep him from delays in revealing cases of illness in his herd because, as you are aware, when illness strikes a herd, for lack of capital, a farmer could refrain from reporting the facts and so be responsible for the resulting epidemic.

For all those reasons, Mr. Speaker, I feel that this should be looked into seriously. I bring my remarks to a close by saying again to the hon. minister that I am convinced of the danger inherent in leaving it to one or two civil servants to set the amount of compensation. I ask him to tell us what he intends to do to improve this bill which must have been drawn up by some incompetent person. However, as I know he is acquainted with the problem, I should like him to reassure us and tell us what he intends to do to correct the situation.

[*English*]

Mr. Deputy Speaker: It is my duty to inform the house that if the minister speaks now he closes the debate.

Mr. Olson: Mr. Speaker, if I may reply to some of the questions that have been raised, I should like to say that there has been a very good record of performance, if I may use those words in describing the results of the contagious diseases eradication programs that have been carried on for a number of years.

Perhaps hon. members would be interested in the record so far as brucellosis and tuberculosis are concerned. For example, in the year 1963-64 tests conducted throughout Canada showed that there were 24,980 positive reactors and the compensation paid farmers owning the animals was $1,688,000. In 1964-65 the number of reactors had decreased to 20,800 and the compensation paid was $1.4 million. In 1965-66 the number of reactors had dropped to 13,700 the compensation paid amounting to $941,000. In 1966-67 the number of reactors had gone down to 8,500 and the compensation amounted to $595,000. In 1967-68 the number of reactors to these two diseases had decreased to 6,800 and the amount of compensation paid was $475,000.

There are two matters involved here. One is that as these programs come to completion across the country there are obviously fewer animals to be tested. A decreasing number of reactors is found throughout the country in these eradication programs, whch in my opinion have really been worth while and beneficial not only to the farmers themselves but to the country as a whole, both in terms of economy and of health.

The question was asked why September 26 was the date on which these changes would come into effect. It is true that it was necessary to establish a date, and this date was approximately the time the resolution was introduced in the house. The reason that date was put upon it was that we did not want any farmers to withhold animals in anticipation of higher compensation; we wanted them to know there was a cut-off date. All legislation has a date upon which it becomes effective, but we did want to make sure that we could continue the program without any hold-back on the part of the farmers.

• (8:50 p.m.)

Another question that was raised was the possibility of partisan political considerations entering into the assessment value of these animals.

Mr. Benjamin: Mr. Speaker, may I ask a question. May I bring to the minister's attention the date of September 26. Is it possible that a more recent date would be more applicable.

Mr. Olson: Mr. Speaker, I was thinking about that matter and I am not sure of the implications that would be involved in changing the date because of some settlements, if you wish to call them that, which have been made with respect to compensation during the intervening period. Certainly I would welcome a discussion of this matter in committee tc see if there are implications or

ramifications that would cause us difficulty if we were to consider a more recent date.

So far as the possibility of partisan political considerations entering the decisions of the assessors, I think one can rule that out. I do not see any possibility of that happening at all. There is now a maximum of $70 and $140 for compensation, depending on the classification of animal that is ordered to be slaughtered. We intend to raise this level to bring it more in line with present day levels; but still there will be a maximum to be prescribed in the regulations laid down by order in council.

To answer the question of the hon. member for Timiskaming (Mr. Peters) as to why fair replacement value is not considered instead of some maximum value figure, I wish to say that we hope the compensation will be fair. We also believe that a maximum must be laid down, otherwise we might get into a great deal of difficulty in having animals assessed. My hon. friend pointed to that problem. There is a wide variation between the values of so called purebred and registered animals, and we want to be fair. At the same time we must be very careful to make sure it is not profitable for the farmer to have a contagious disease among his livestock. Some responsibility, certainly not all of it, must lie with the farmer. To the extent that there is negligence of any kind in allowing a disease once started to go beyond the point it would have gone if there had been good husbandry, the farmer is responsible.

This bill does not intend that there shall be any profit to anyone having a serious contagious disease in his livestock.

Mr. Peters: Mr. Speaker, may I ask a question?

Mr. Deputy Speaker: Order, please. I think the hon. member ought to be in his proper seat.

Mr. Peters: I agree with the minister that compensation should be considered at a reasonable percentage of replacement value. This would provide equitable compensation to some who have had serious losses. On the other hand, those with animals at the low end of the value scale would not suffer so much loss as those who have high quality animals. I think that we ought to prevent abuses from developing in this area.

Mr. Olson: We can take all that into consideration in committee. I think it is fairly obvious that we intend to recommend new maximum levels that are higher than the ones that are prescribed at present. One could not consider seriously the question of leaving values open ended, without a maximum limit. The assessors making assessments in the field ought to be guided by regulations which have been laid down and authorized by order in council, and although we can make changes I think we must have some upper limit in the matter of values. It is also fair to say that the surroundings of high priced, purebred registered animals are more hygienic than those of many other animals.

Another point that was raised was the matter of the federal government becoming directly involved in the eradication of rabies. I think the hon. member who drew that question to the attention of the house answered his own question. One of the greatest problems in eradicating rabies stems from the fact that the disease is carried by wildlife. Though a great deal of work is being done by the provinces in co-operation with the federal government it must be anticipated that the process will be long drawn out, again because of the fact that the disease is carried by wildlife throughout much of Canada.

In closing, Mr. Speaker, I must advise the house that the bill provides for the governor in council to establish the maximum levels of compensation, the current rates being $70 for grade animals and $140 for purebreds. The bill provides for new rates to be set by the governor in council, as I have said. We believe there are sufficient funds in the current estimates to provide for the additional compensation.

Mr. Deputy Speaker: 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 agriculture.

PEST CONTROL

REGULATION OF PRODUCTS USED IN CONTROL PROCEDURE

Hon. H. A. Olson (Minister of Agriculture) moved the second reading and reference to the standing committee on agriculture of bill C-157, to regulate products used for the control of pests and the organic functions of plants and animals.

He said: Mr. Speaker, this is the last of the four bills that, as I said earlier this afternoon, are related. Hon. gentlemen will realize, of course, that pesticides have a great deal to do with the high standard of living enjoyed by

the average Canadian today. Not only do they enable farmers to produce greater quantities of high quality food more economically, but they also make it possible for all of us to live, work, and play in considerable more comfort than did our forefathers.

The list of pests arrayed against us is formidable. There are about 2,500 different kinds of insects and related organisms that from time to time attack Canadian crops and gardens. There are 2,000 plant diseases. There are 1,000 kinds of weeds. There are several hundred kinds of animal diseases and other animal pests to plague us.

It is estimated that one third of all crops is lost to weeds, pests, and disease. What would be the toll without pesticides? It is a fact that some crops just could not be grown at all without chemical help, while the yields of other crops would be greatly reduced. Food quality would also suffer because many items would be infected with worms, fungi and insects.

The agricultural community is naturally the big consumer of pesticides but these chemicals also have hundreds of uses in industry and in the home. Fumigants kill bugs in warehouses; growth suppressants keep down weeds on airports; insecticides kill aphids on ornamental trees; rodenticides rid our houses of mice; repellants keep dogs away from flowers, and so on. There is a very long list of these chemicals that are useful.

• (9:00 p.m.)

I think hon. members will also realize that pesticides are opening up new recreational areas, allowing us to use what were previously unbearable locations. Pesticides are now a very important part of all our lives. We certainly could not live in the style to which we have become accustomed without them. But pesticides have dual personalities. It is true that they bring us untold benefits, but they can also get us into trouble if they are not handled properly. Careless use of pesticides can lead to food contamination, damage to crops, as well as human and animal injury.

I have mentioned that scientists are making steady progress in coming up with new and alternative methods of controlling pests, such as improved management practices, resistant crops and biological control. But these alternate controls are not yet adequate to protect crops, gardens, animals, or indeed ourselves, and therefore pesticides will be needed far into the foreseeable future.

Government control of the manufacture and use of these potentially dangerous substances is necessary if we are to protect people from the misuse of pesticides. My department registered more than 3,300 different pesticides for use in Canada during the past year. This great number indicates something of the difficulty of the job of keeping tab on all these different pest control products. To do this job adequately we need the very best, most modern legislation possible.

The bill now before us, in general terms, brings the Pest Control Products Act of 1939 up to date. While it is framed in the same general context there are some significant differences and improvements. The increased use of pesticides and associated products, and a greater concern over their potential for harm as well as good necessitate a broader authority for regulation than in the past. This is provided in the proposed legislation by adding the authority to regulate the manufacture, handling, use and advertising of such control products. Authority is also included to regulate manufacturing establishments in regard to prescribed control products for export or interprovincial movement. The present act provides only for the regulation of the product itself as to composition, packaging and labelling.

In addition to true pesticides, the new legislation also applies to other control products and products to be used along with or as a supplement to pesticides and control products. The present act provides only for the regulation of actual pest control products. Examples of products covered by the proposed legislation, not covered under the present act, would be plant growth modifiers such as sprout inhibitors, potato top killers, and fruit stop-drop sprays; emulsifiers, stickers and stabilizers for use with pesticides and other control products.

We have also provided for protection against the danger of cross contamination. For example, cross contamination could occur when the same mixing equipment is used for different pesticides. Two chemicals might be perfectly harmless by themselves but when mixed they are sometimes lethal. Cross contamination could also occur when control products are stored near food, and the use of a pesticide on food crops at harvest time could cause residues that are harmful.

The present act does provide some protection for the public against deception in merchandizing pesticides but only indirectly. This bill permits more specific control over certain labelling, advertising, and packaging practices that are difficult to regulate at present. For example, the use of numbers in the

brand name of products may bear no relation to the strength of a product even though it could be construed as doing so. Potentially hazardous compounds may be packaged in containers that resemble other harmless commodities. The new legislation retains the authority of the present act to regulate products through registration, standards and labelling, but adds authority over packaging.

Authority is provided in the bill for registration of premises in which certain prescribed control products may be manufactured for subsequent shipment interprovincially or abroad. These prescribed products could include those which include living organisms in their manufacture. These organisms could pose a public hazard if not handled properly. Indications are that this type of control product will be in production soon and special regulatory powers will be necessary to ensure effectiveness and safety.

In my view, this new legislation will continue to give effective service to the agricultural industry while at the same time providing greatly improved means of protecting the public interest. In conclusion, I should say that the cost of administration will increase somewhat as regulations are approved covering the new activities, and we estimate that the total additional costs would be approximately $60,000 annually when the regulations are fully implemented.

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, as a prelude to my remarks in respect of Bill C-157, I would like to make these observations. The life of the pioneers of this continent was hard but simple. They were farmers and hunters living in isolation in small communities, unconcerned about the outside world. Their existence was free of many of the problems facing the people of this the twentieth century which, in many instances, have been created by the exploitation of succeeding generations. It has been stated that two grim spectres beckon mankind toward oblivion. One offers instant wholesale death by nuclear means and the other guarantees eventual starvation when the population exceeds the food supply. The powers that be in our world of today are struggling in an all out effort to postpone these evil days.

I propose to deal with this bill only in respect of how its aspects affect our food. Man is rapidly changing those once immutable features around him, the soil, atmosphere and water, even our seas and their complete production. The basic conflict is between the mounting need for food and fibre and the equally urgent need to preserve the quality of our environment. This is the perspective in which to view the continuing debate over the value and hazards of pesticides and drugs. I mention drugs because they do relate to certain organic functions in animals.

Of course, the use of pesticides and drugs is not the only way in which man is unrespectful of his environment. The growth of cities, clearing of forests or draining of swamps, the future prospect of weather control, run away population, the adulteration of foods—all of these promise to change this once undisturbed earth irrevocably. Men can no longer approach nature merely to exploit her. They must now learn to manage her wisely. They must decide what kind of environment they really want, what quality of life they desire.

If we talk of pesticides and drugs only in terms of benefits and hazards, we fail to grapple with the basic question. Men do need to know exactly what these chemicals do and what liabilities their use may incur. But then we must decide whether, where, and how to use them to help build the kind of world we want. This is where Bill C-157 can play a very important part.

To my knowledge, the pesticides most widely used are D.D.T. and its breakdown products, aldrin, dieldrin and lindane. In experiments and studies reported to have been carried out by specialists of the University of Miami School of Medicine concentrations of D.D.T. and dieldrin were found in many humans. Traces of pesticides were found in the tissues of stillborn and unborn babies. The greatest concentrations were found in the fat tissue, but the liver, kidney and brain also carried the residue.

At this time I would like to put on the record an excerpt from an article that appeared in the *Globe and Mail* a few months ago under the heading, "Pesticides Held Threat to Unborn." It reads:

> "An expectant mother can poison her unborn child by drinking milk from a cow that has browsed on forage sprayed by some insecticides," an official of the National Health and Welfare Department said not long ago when addressing 75 pilots attending an aerial pest control conference sponsored by the Ontario health department.

• (9:10 p.m.)

It was further stated that careless crop spraying can have far-reaching effects. Chlorinated hydro-carbons used in some pesticides have the longest effects and can be stored in fat deposits and in milk in cattle.

One authority said that insecticides coupled with the effect of radio-active fall out could produce babies with two heads and six fingers. A survey of short horn cows found a ratio of 30 parts of insecticide to one million parts of milk. An infant child does not have the resistance to insecticides that an adult has and therefore is vulnerable.

It seems also that it would be difficult to deny the use of pesticides has caused death in fish and seagull populations. D.D.T. deposits have been found in fish. This situation is of concern to government wild life and fisheries departments. It is now evident that with the indiscriminate use of insecticides there is a danger that man eventually will not be able to find relaxation in fishing because the fish will be contaminated. He would not be able to enjoy hunting because the wild fowl and wild animals would be contaminated; and the ocean would fail to be a source of protein because even the ocean would be contaminated.

Dr. Keit Ronald of the University of Guelph said insecticides have reached the antarctic and penguins are being affected. He said the antarctic once was considered to be a sterile part of the world but that it is not any more; it is polluted with insecticides. Dr. Ronald said the day is coming when insecticide will be sold in the same manner as poisons with purchasers signing a poison register.

I support Bill C-157 because it will fulfil some urgently needed controls. Another consideration that should not be overlooked is revealed in a statement by Professor Lamont C. Cole of Cornell University division of biological sciences. He contends that certain pesticides like D.D.T., which can kill both helpful and harmful species, actually make life easier for the pests. He followed that thought with the warning that D.D.T. and other persistent types of pesticides carry perhaps the greatest potential long term hazards to mankind.

The United States secretary of the interior in his reference to pesticides said that we have strained mind and dollar to bend nature to our satisfaction. Yet, we do not know what the effects may be, nor do we anticipate possible consequences. Blithely we carry on our multimillion dollar programs in the pesticide field with wholly inadequate research. We could be building our own fools' paradise. The day of reckoning may not be tomorrow, but who knows about the day after?

At this time I should like to refer briefly to the case at Grand Forks, B.C., more specifically known as Sunshine Valley. The farmers there had their hogs, cattle and milk declared unfit for food by the federal food and drug directorate. This was the result of contamination caused by Aldrin which had been used for the control of wireworm in potato crops. It was found that effects of this material remained potent for a long period and would kill wireworm nine years after being administered to the ground. The residue of this chemical was passed on to livestock through forage grown on the potato ground years after being treated with Aldrin.

Much of Sunshine Valley, which is two miles wide by ten miles long, has been rendered useless by contamination. The complete production of several farms has been declared unfit for food. This is a glaring example of a pesticide having been made available before sufficient research work was done so that the end results would be known. In Sweden plans are being made to cut down on the use of insecticides and weed killers to prevent food becoming polluted by chemicals whose long term effects are not known. The Swedish natural science research council which is working on the problem has called public attention to the lack of knowledge available on what biocides do to human beings and whether they can produce cancer. For some time Swedish recommendations discouraged the use of chemicals on food crops during a prescribed safety period before harvest. The period varies from three to 45 days depending on what chemicals are involved. It is calculated to give time for the chemicals to disperse before the plants are used.

The Science council in Sweden now is recommending against spraying. Carrots grown in such soil can contain a higher percentage of dieldrin than the soil surrounding them. Poisons can also enter the human system through eggs. Grain treated with mercury compound has, when fed to hens, produced eggs containing the same substance. The Swedish government now has forbidden the use of dressed seed as feed for chickens.

Bills C-157 supplies provisions that should eliminate some of our pesticide problems. I should like to make a few observations about a product known as Stilbestrol. This material when used in animal food or by pellet implantation has a pronounced effect on the organic function of animals. It is a dangerous product with practically no control. My experiences with this product were disastrous to say the least. As a result of its promiscuous use, damage resulted to a group of mink ranches to the extent of about $750,000. The mink were exposed to Stilbestrol through the

cereal content of their ration which was prepared by a large well-known corporation. Our experience and the experience of others has proven that there is an accumulation of residue in the animal tissues because our mink received a very small amount of Stilbestrol over a period of six weeks following this period, they broke down physically. Many died and practically 90 per cent were sterile.

Further, evidence given by the veterinary general before the agricultural committee indicates that the residue does accumulate. This was borne out by the fact that swine had been declared unfit for human consumption after a residue of Stilbestrol above the point of human toleration had been detected. Thousands of cattle across this country are being fed Stilbestrol. Many also carry Stilbestrol pellets in their ears. I am disturbed about the loose handling of Stilbestrol and its effect on humans who must surely be exposed to its residue constantly. The health of our people should be our first consideration. Therefore, I trust some satisfactory control of Stilbestrol may be exercised through the provisions of Bill C-157. This would possibly help to reduce death by cancer.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I think this bill is timely. Perhaps we should have had the tighter controls which will be possible under this bill even before now. I am concerned about the basis on which the Department of Agriculture will be able to make decisions when it comes to the point of control. One may very well say we will see that some manufacturer may or may not be able to distribute such and such a product, but the important thing really is to know before the product is released what it will do. It is important that there be sufficient staff and sufficient research data so that it may be known what a given chemical product will do. I am a farmer and I know there are chemicals being used by farmers who, as a result of personal contact with them, have ended up in hospital. This is not a general situation but I know products have been sold which can cause rather serious sickness on the part of those who use them if they are careless or if they are get down-wind of these products often enough.

We should be concerned about the effect of these chemicals on human beings. If the Department of Agriculture is to control such chemicals the first thing they must know is what those chemicals will do to individuals who use them and what they will do to the environment in which they are used.

[Mr. Noble.]

• (9:20 p.m.)

It is quite true that if we were to remove from the market the chemicals which are now being used in agriculture, our agricultural production would drop severely. It is also safe to say that chemicals have been released for use without sufficient consideration as to what they will do to the environment in which they are used. For example, if on the prairies you use a chemical spray which destroys substantial amounts of foliage on the trees, what do you do to the bird population in that area? The bird population is important. If you use chemicals which cut down the ability of honey bees or ordinary bumble bees to survive, what do you do to the insect population and the production of honey in a given area?

The manufacturer is interested in producing a product, advertising and selling it. If he derives a profit thereby he is happy and has achieved his objective. If no one prevents him from deriving this satisfactory profit he is certainly not violating any law, except the law of nature. The law of nature is pretty important because we all live or die by it, as the case may be.

At the moment on the prairies, and I suppose anyplace else, you can use what is called a low volatile spray for spraying weeds, or the standard spray. The low volatile spray will not drift to the same extent the other will. You can use a contact spray for killing weeds or a spray which is taken into the body of the weeds which literally causes them to explode and die. Each one has a different effect on the surrounding countryside and each one varies in respect of the drift aspect.

This is the kind of thing about which the Department of Agriculture should be concerned and I do not think there is enough money or time being spent in this area. Let me give an example in respect of seed treatment. Every spring beginning about March we see a flood of advertising in western Canadian and, I am sure, in eastern Canadian periodicals advising farmers that such and such a treatment should be used on seeds. These advertisements indicate how much is to be used, what a wonderful boon this is if you apply it to the seed, and what you accomplish by the application. I know for a fact that you can get a number of research men in universities together who will argue among themselves as to whether it is worthwhile to use this seed treatment, yet this treatment is advertised and the farmers are urged to use it. This year, as a result of crop conditions,

our seed has suffered damage, and we have already seen suggestions from experts and technicians to the effect that we would be well advised not to use this seed treatment at all. In spite of this, thousands of dollars are being spent on advertising to sell this treatment to the farmer. These are the things about which we should concern ourselves.

I am concerned about the basis upon which control is to be established and used. We must consider the actual application on the farm and the general effect of these chemicals on the general environment in terms of water, air and ground pollution. We must not forget that a great deal of this chemical does not simply disappear but becomes a permanent part of the environment into which it is released, whether it is the soil or the water.

Let me urge the Department of Agriculture to concern itself about this aspect and not merely to be satisfied to control what exists or what particular manufacturers choose to offer the public. There are other ways of controlling insects besides dousing them with chemicals. It has been established that insects can be controlled in many cases by biological methods without using chemicals. This alternative method has not been given sufficient attention, and sufficient money has not been spent to develop this method of controlling insects. We continue to douse them with chemicals.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the two preceding speakers have dealt with much of the subject matter with which I intended to deal. This has relieved me of a great burden of responsibility. However, in respect of a collateral issue I think I should make it clear to the house that we have now virtually concluded the fourth bill placed before us today. Contrary to what has been said in some places, these are not unimportant bills. They comprise massive legislation which will have a considerable effect on the lives and fortunes of many thousands of Canadians.

It is of some credit to the house, and to the new basis under which we are proceeding, that we understand that under the new practice we will be following, second reading is not taken to mean an acceptance in principle of what is contained within the four corners of a legislative measure. It is in fact a stage in the legislative process during which we can examine the legislation and then refer it to the appropriate standing committee for examination in depth. If we see fit we can then take issue with the provisions of a bill. I am pleased to see that this procedure is being followed.

I know there will be occasions when opposition members and, perhaps hopefully, some government members will be compelled to suggest that certain measures are not good or of advantage to the country. On these occasions, we will feel justified in taking a stand even at the second reading stage. I thought I should make that position clear at this particular time.

At this point I should like to refer to another phenomenon which has come to my mind after listening to what has been said about these legislative proposals. I have in mind the substantial extent to which the government is asking this house to give it the power to regulate by order in council. I do not intend to go into detail, but an examination of the regulatory clause 5 of this bill makes it clear at first blush how very substantial are the rights this house is yielding to the government. This is emphasized by the other bills which have already been passed. I am not going to quarrel about this, but it is a principle I do not like. I think we have gone too far in this direction in the past.

• (9:30 p.m.)

We have given to the government over and over again, in bill after bill, year after year, parliament after parliament, power to act by order in council and ministerial decree. Our rights then vanish; we do not see them again in this house. The effects of the exercise of rights are of course. felt by people all over this country. I say this because I want to emphasize very strongly the need for a right for this house to examine and scrutinize the impact of ministerial decrees and orders in council.

It is true that a committee has been set up. I had the honour to be a member of that committee. We have not had an opportunity to discuss these matters because we have met only once. I do not fault the committee or the chairman for that. But I urge the government to proceed with all speed to make sure that the committee meets often so that before this session is passed we will have arrived at an acceptable method whereby when we do grant the government, as we are now doing by clause 5 of this bill, the very substantial powers which the minister is seeking, there will be some method of examining, those cases where, in the opinion of members of this house, there have been abuses of the rights given to government.

We are probably the only democratic country at the present time which does not have that right in its legislative assembly. I want to make this point, Mr. Speaker, because I think it is most important. There is no doubt that the government will continue to seek powers of this kind. More and more we will find that bills are simply vehicles from which is suspended the right to pass regulations. There must be given to this house the checks and balances to meet this situation. I make this point now. It is a collateral point but I think I can choose no better time than this to emphasize it.

I shall now deal with the merits of the legislation. I am interested in it. I farmed for some years until I descended into public life. I have some knowledge of what is involved. I had the honour to serve as a member of the health and welfare committee which sat in 1963. At that time there had been recently published a remarkable book by the late Miss Rachel Carson, "Silent Spring". The committee was given very wide powers of reference to examine the impact of herbicides and pesticides on environment, on the human existence. We invited Miss Carson to appear before the committee. Because of ill health she was unable to come to see us, but she sent us some documentation. We had a very full examination of this matter but toward the end of the committee's hearings the representatives of the agricultural chemical industry appeared before it. I am not faulting them. It was a lobby; there is no question about that.

This industry serves a special need. There is some question in my mind whether the special need which it serves is balanced against what may well be the general detriment to society from the use, or I should say the abuse, of these chemicals. In any event, these representatives appeared before the committee and after their appearance the committee made a report which to my mind was a very mild one; it did not go as far as it should have. At the conclusion of the report, the committee said certain things. I will read from the report of the health and welfare committee which dealt with food and drugs in 1963. On page 566, of the report, after making what I consider to be very mild recommendations, the committee said:

> The committee finds that it will not be able to complete at the current session of this parliament its inquiries into the matters referred to it for report and, accordingly, recommends that this committee be re-established and appointed early in the next session of this parliament to resume the studies and continue the inquiries initiated by this committee.

The committee was re-established but it did nothing at all. It decided not to pursue its studies in connection with this very serious problem and turned its attention to other matters dealing with drugs generally. It made some very useful recommendations in that respect, but it did not pursue its inquiries nor has there been to my knowledge any committee since that time which has pursued or even attempted to conclude the inquiries which we initiated in 1963.

We have not heard a great deal about Miss Carson's book, although there has been a subcommittee of the United States Senate sitting under the chairmanship of a very distinguished senator and former governor from, I believe, Connecticut, which has been inquiring into environmental hazards and has made some very useful recommendations and proposed some legislation. I do not think it would do any harm at this time, having regard to the fact that this matter is being referred to committee, to read some extracts from this book to remind the house of the grave dangers pointed out by Miss Carson. In her foreword Miss Carson quotes Albert Schweitzer who said:

> Man has lost the capacity to foresee and to forestall. He will end by destroying the earth.

In the foreword to the book there is also a quotation from E. B. White as follows:

> I am pessimistic about the human race because it is too ingenious for its own good. Our approach to nature is to beat it into submission. We would stand a better chance of survival if we accommodated ourselves to this planet and viewed it appreciatively instead of skeptically and dictatorially.

I should like to read two other quotations from the book:

> We poison the caddis flies in a stream and the salmon runs dwindle and die. We poison the gnats in a lake and the poison travels from link to link of the food chain and soon the birds of the lake margins become its victims. We spray our elms and the following springs are silent of robin song, not because we sprayed the robins directly but because the poison travelled, step by step, through the now familiar elm leaf-earthworm-robin cycle. These are matters of record, observable, part of the visible world around us. They reflect the web of life—or death—that scientists know as ecology.

On page 237 we find these words:

> Human exposures to cancer-producing chemicals (including pesticides) are uncontrolled and they are multiple. An individual may have many different exposures to the same chemical. Arsenic is an example. It exists in the environment of

every individual in many different guises: as an air pollutant, a contaminant of water, a pesticide residue on food, in medicines, cosmetics, wood preservatives, or as a colouring agent in paints and inks. It is quite possible that no one of these exposures alone would be sufficient to precipitate malignancy—yet any single supposedly "safe dose" may be enough to tip the scales that are already loaded with other "safe doses".

In support of that I should like to tell the house what was said by one of the doctors who appeared before the committee. I tried to find the actual evidence so I could read it to the house, but I could not find it. However, I recall one of the doctors who appeared before the committee being examined on this particular point. He said it will be utterly impossible for 15 or 20 years at least to come to a determination as to the extent to which the constant intake of these pesticide residue may affect the reproductive capacity of the human race.

It may well be—I have not kept up with this—that scientists are now been able to say that this statement is not correct. However, it certainly has not come to my attention and I have tried to keep in touch on with the problem. This was a very serious statement made at that time.

• (9:40 p.m.)

Miss Carsons' critics said that she was an alarmist and was colouring her facts. She was justified in doing so because of the serious nature of this problem. In many cases what she said was confirmed by evidence given before the subcommittee of the Senate in the United States.

I say all this not to oppose this bill but to reinforce the fact that the agriculture committee should take adequate time to resume the study which was commenced in 1963, to examine the further scientific evidence which has now become available, and to see to what extent it might be possible to introduce safety features into the use of these pesticides. I notice that the legislation is substantially different from chapter 209 of the Revised Statutes, The Pest Control Products Act. I should like to call the attention of the minister to the fact that when I was examining the then legal adviser, Mr. Curran of his department, I asked him questions regarding the legal basis upon which the legislative program dealing with pesticides and pest controls had been put forward. It was suggested that, similar to food and drugs, the act was probably based upon the Criminal Code. I do not know whether or not this is the case but I mention it because I think this is another aspect which the committee may look into, namely the extent to which the wide reaching proposals in the bill and in the regulations are in fact valid. I am not suggesting they are not, but certainly if the government is going to take these powers onto itself it wants to have the utmost assurance that its legislation is in fact valid and constitutional.

I notice for example that for the first time the government is seeking under its regulatory power the right to control the use of controlled products, and this probably comes dangerously close to the regulation of trade and commerce which may or may not be valid. I just throw out this suggestion so that when the committee comes to examine this bill they may call before them the proper officials of the Department of Justice and of the Department of Agriculture and examine these things quite carefully.

I think we must retain the very utmost value that is in the pesticides and herbicides we have developed. At the same time, we must make sure that we do so legally and with the greatest degree of safety to human beings in order that we might have the best of both worlds. I make this plea to the minister to ensure that when the committee examines this particular legislative proposal these things will not be forgotten.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I would like to say just a few words on this bill. I think it is a bill which has the unanimous support in principle of members in all parts of the house. We agree very thoroughly with the purpose which it sets out to achieve. I believe that the hon. member for Grey-Simcoe (Mr. Noble), the hon. member for Saskatoon-Biggar (Mr. Gleave) and also the hon. member for Peace River (Mr. Baldwin) have all voiced our real concern that this legislation should be backed up with adequate and continuous research. I think the hon member for Peace River made an excellent suggestion when he said that the committee should go into the whole question of the balance between the good and bad features of these pesticides in the light of the most recent scientific research. I should like to mention an aspect that I do not think has been directly touched upon, that is, not only the whole balance of nature and the effect of pesticides on the plant and animal life but its effect in the home. I think there is a doubt in the minds of a great many people as to the effect a number of these pesticides have on

the deterioration or adulteration of food products.

In my own province there are quite a number of small farms and market gardens which grow their own products without any kind of inorganic or pesticide materials. They believe that when the balance of nature is upset the food products deteriorate. I am not saying that they are correct but I believe we do not know the answer to that, and in order for this legislation to be thoroughly protective we should know the answer to this question. Another matter concerns these compressed air or aerosol containers for destroying pests. I am not at all sure that a build-up of potentially noxious materials does not occur around the home. If the pesticides are not very carefully controlled a build-up may occur which may very well be deleterious to health. This is also something that the committee could and should look into. Before licences are given for the production and handling of these materials producers and distributors applying for registration should be required to show proof of their effects and their controllability.

I am sure that the regulations will have some kind of standards which the producers must meet before being allowed to put their products on the market. I may also suggest that it would be a good idea to require that these pesticides be a genuine improvement on existing ones before the producers are permitted to put them on the market. As is the case with so many food products, in order for a competitor to get the market he often makes some non-essential change in his new product. I think that is something that needs watching. In other words, we must be careful that under this legislation we do not issue licences to permit the slow deterioration or adulteration of foods and of the atmosphere in our homes and cities. We are concerned about the dangers of cigarette smoking and of other products. I believe there are dangers in these pesticides that perhaps we do not even suspect at present. We do not want to issue licences for slow murder by way of pesticides.

So, having said this, I think that all of us are convinced that this is an excellent piece of legislation. I certainly hope that the committee will be able to improve on it and to make sure that all the loopholes are stopped.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, very briefly I should like to lend my support to the words spoken by hon. members on this side of the house on this important piece of legislation. I realize that this is one of the most important pieces of legislation that this house has before it at this time. The minister has suggested, in reply to a question asked by me concerning another piece of legislation, that the matter would be discussed before the committee. There is a danger in this legislation being referred to a committee. I imagine that everyone in this house realizes that all of us cannot attend all committee meetings. It is absolutely certain that the questions I have on this matter will not be answered because I will not be able to attend the committee meetings dealing with this subject since I have to serve on other committees. I had hoped that some of these questions would be answered on second reading of these bills. The fact they will not be illustrates one of the fears that I have with regard to the new rules.

[Mrs. MacInnis (Vancouver-Kingsway).]

• (9:50 p.m.)

I should like to inform the minister that I am concerned that he may designate any person as an inspector or analyst for the purpose of the act. In all sincerity I suggest to him once again that "any qualified person" should mean exactly what it says and not mean some political appointment. We have seen that sort of thing too often in this country. In every department I can think of there are unqualified people who are trying to enforce the provisions of this particular act. Therefore, I would ask the minister to pay particular attention to this point, because I am sure everyone in the house agrees that it is essential to have qualified people implement a measure of this importance.

There is another matter in connection with which I would lend my support. As the hon. member for Regina-Lake Centre (Mr. Benjamin) suggested when discussing the previous bill, there is a great need for the provisions of this bill to encompass the entire nation. If any province wants to stand in the way of this bill it should be told to get into line with the rest of the country so that the measure is applicable to the whole country. As the minister has suggested, there must be a broad application.

I would also lend my support to the minister's statement that all provinces must come within the terms of the bill. At this particular stage of our development we cannot allow special status to any province with regard to the implementation and enforcement of the legislation we pass here. Once more I ask the minister to put teeth into the bill, teeth that

can be sunk into any agency that does not live up to the requirements of the bill before us. If we do not put teeth into these bills, then there is absolutely no point in debating them in this house; we must make sure that they are enforced.

The Acting Speaker (Mr. Béchard): I must advise the house that if the minister speaks at this point he will close the debate.

Mr. Olson: Mr. Speaker, I have but five or six minutes so may I briefly express my appreciation to hon. members opposite for the way in which these bills have been handled today. I want very quickly to answer some of the questions asked.

The hon. member for Grey-Simcoe (Mr. Noble) expressed his concern about the residual contamination of some of these pesticides which is found in many places. I share his concern and the provisions of this bill will substantially strengthen the hands of the Department of Agriculture in trying to avoid this contamination as much as possible. We must rely on scientific knowledge, of course, but we are trying to keep abreast of this.

The hon. member expressed particular concern about di-ethyl-stilbestrol. Stilbestrol will not be covered under the act because it is not a pesticide but a female sex hormone which is used in fattening animals and as a growth stimulant. There is a measure under the Food and Drug Act for testing the residue of this di-ethyl-stilbestrol in meat found in packing houses. If anybody violates the act the meat products are condemned and indeed an offence is committed if the level is high enough to be harmful to human beings.

The hon. member pointed out that we do not know all that we need to know about the long-term effects of di-ethyl-stilbestrol and other residues, but we are sincerely trying to keep up with developments and amending our regulations accordingly.

The hon. member for Saskatoon-Biggar (Mr. Gleave) suggested that we must know in advance what will be the long-term effects of these residues. I agree that this would be desirable, but I suggest to him that if we conducted tests for 15 or 20 years—which is the period of time that it would take for the levels of the residues to become dangerous—we would in fact be denying our producers certain benefits during that period.

The hon. member also referred to the problems all farmers have with toxic substances such as mercury and mercurial dust used in fumigating seed. However, new products have recently been introduced which I suggest are a great improvement and much safer to use.

I appreciate the remarks of the hon. member for Peace River (Mr. Baldwin) in connection with the new procedures. I should like to give him the undertaking of this minister, at any rate, that it is not the intention to abuse the authority that has been granted by way of making regulations by order in council. However, I am sure he knows that regulations to give administrative effect to bills passed by this house have always been made by order in council; this is not something new. I share with him his hope that the committee on delegated legislation—I think that was the one he was referring to—will make sure that these procedures will not be abused.

With regard to the comments of the hon. member for Vancouver-Kingsway (Mrs. MacInnis), the manufacturers of the products she referred to are required to prove the efficacy of their pesticides before they are put on the market. This particular regulation will not only be retained, but indeed strengthened.

I think it is also fair to say that all of the remarks that have been made by members on both sides of the house are not criticisms of the bill, but on the contrary are supporting comments that reinforce the need for the amendments that are now before the house. I hope we will put these amendments into effect in a fair way and as quickly as possible.

The hon. member for Moose Jaw (Mr. Skoberg), I believe it was, wanted to be sure he could attend the meetings of the committee. I do not know whether he is a member of the agriculture committee, but if he has time he has every right to attend the meetings of the committee, whether he be a formal member or not, and to participate in the meetings. He does not have the right to move motions or to vote but he does have the right to participate. I welcome him to the meetings and hope he will be there when the detailed examination of the bills takes place.

In conclusion, may I again express my appreciation to hon. members for the way these bills have been handled today. I hope that very soon the standing committee will have the opportunity to deal with them so that much additional information about the various clauses can be given hon. members when they examine them in detail.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture.

Proceedings on Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 40 deemed to have been moved.

INDIAN AFFAIRS—PROPOSED NATIVE TASK FORCE TO DEVELOP POLICIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, late in 1968 representatives of Indian organizations from every province in Canada met to form a National Indian Brotherhood. They met, I think, with the Prime Minister and with the Minister of Indian Affairs and Northern Development and made a number of proposals to the government. First of all, they proposed that a task force of Indian people be appointed to look into the problems of Indians and to make recommendations for the solution of those problems. They proposed to the government that the government recognize the National Indian Brotherhood as an advisory committee to the government on the problems of Indians. The government, of course, listened as it always does with courtesy, but the answers to the requests of the National Indian Brotherhood were, as usual, to say the least less than satisfactory. Because of the answers that were given to my questions I have risen this evening, Mr. Speaker.

• (10:00 p.m.)

We hear a great deal about poverty. The report of the economic council says that 20 per cent of our people live in poverty. That is, families of four with an income of less than $3,000 a year are poor. Yet 75 per cent of our Indian people have an average annual income of less than $2,000. In 1963, 47 per cent of Indian families earned less than $1,000 a year. It is not surprising therefore that Indians are dissatisfied with their lot.

We hear a great deal about the lack of adequate housing in this country and we all know of the slums existing in every Canadian city. Yet it is fair to say that most slum dwellers live in palaces when one compares their dwellings with the dwellings of Indians on the reserves. Eighty six per cent of Indian homes are devoid of such elementary facilities as sewers, septic tanks, flush toilets, running water and telephones. I know the minister will tell us that a great deal of money is being spent by his department in helping Indians. But, Mr. Speaker, all that is being done almost exclusively on the advice of white civil servants and white experts. Almost no Indians have been listened to or consulted in any way on these matters.

Recently the minister was in Winnipeg listening, as he has done in other parts of the country, to the opinions of our Indians with respect to the amendments to the Indian Act which the government has been talking about for so long. If one reads the submissions of the Indians, and I have read them and I presume the minister has given them consideration, one will see how far we are from facing the basic problems of the Indians. They ask that the regulations under the old act having to do with housing and community improvement be amended. Under the old act there were no regulations enforcing minimum housing standards. People talk about educating the Indians. People criticize Indians because their children do not go on to attend high school. I wonder how many white children would go on into high school if they came from a family of six or eight children who had to live and study in a two room house on an Indian reservation. Yet the authorities have never set minimum standards of Indian housing because it has been assumed that Indians are accustomed to and like conditions that are much worse than those that would be tolerated by the rest of the Canadian people.

The Manitoba Indians have asked the government to establish a development fund which Indians could use to develop the resources of the reserve and which would be controlled not by officials of the Department of Indian Affairs and its white advisers but by the Indians themselves. They have also asked for educational facilities to be sharply upgraded, and that this should be done in consultation with the Indian people themselves. I could go on, Mr. Speaker, in much greater detail. A number of briefs have been presented and the briefs have been clear.

One thing which the Indians want more than anything else is their right as citizens of Canada, and surely they are the original citizens of Canada, to direct and manage their own affairs, to make their own decisions and to learn their own mistakes.

We hear a great deal from the present minister. Sometimes we hear the other side from the other minister, the Minister without Portfolio (Mr. Andras), and we wonder who is really running the shop. We have heard a great deal about the subject of listening to the Indians. Yet at the same time the minister

proceeded with the reorganization of his department, which instead of decentralizing its affairs centralized them, moving the Indians further away from the decision making than previously. So, Mr. Speaker, I come back to my question of last month. Will the minister really pay attention to the proposals of the National Indian Brotherhood and give the Indians a meaningful role in managing their affairs?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am happy to see that the hon. member has referred to the consultations we had in Manitoba. I would have liked him to be there because I had invited him. The hon. member, who is so eager to talk about the problems of the Indians in the House of Commons, did not even go to the trouble of coming to meet the Indians. I think that if he really cared about the lot of the Indians, he would surely have attended those consultations.

I had very useful consultations with the Indians in Manitoba and they made positive proposals. The president of that association, Mr. Courchesne, showed a very commendable broadness of mind and I think we made considerable progress.

Since I have been Minister of Indian Affairs and Northern Development, we have had consultations with the Indians. For the first time, the representatives of the governments took the trouble of meeting the Indians and asking them what they want and what could be done to elaborate a better policy so that they can become first class citizens in the Canadian society.

We recognized that it was a good thing that the Indians should be able to get together in associations. We invited the National Association of Indians to come to Ottawa and the department paid the travelling expenses of the Indian leaders who spent a week in Ottawa to discuss their problems with me and the department officials. We also had a very useful meeting with the Prime Minister (Mr. Trudeau).

Never since the welfare of the Indians has been a matter for concern have there been such numerous and fruitful contacts between the government and the Indians.

I have come to the same conclusion as the Indians themselves, namely that we must elaborate a policy that will allow the Indians to become first class citizens.

I am the first to admit that there is much to be done for the Indians in the field of housing and employment. We have made considerable progress in the last few years, when there were hardly any—

The Acting Speaker (Mr. Béchard): Order.

Mr. Chrétien: —housing units. We have built 5,500 units in the last three years. I shall come back to this later.

The Acting Speaker (Mr. Béchard): Order. Order.

[*English*]

IMMIGRATION CASES—INSTRUCTIONS TO GOVERNMENT LAWYERS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to make it very plain at the outset of my remarks that I am not attacking nor do I intend to attack the Immigration Appeal Board, but I wish to make it equally plain at the outset of my remarks that I am going to attack, and as vigorously as I possibly can, a party which appears before the Immigration Appeal Board. I refer to the Government of Canada and the Department of Manpower and Immigration. I hope that I can prove that the procedure of the government and of the department in the case of the nine Polish seamen makes a hollow mockery of what the right hon. Prime Minister (Mr. Trudeau) of this country had trumpeted about as the just society.

On December 20 last I asked the Minister of Manpower and Immigration (Mr. MacEachen):

> —has the government communicated to the immigration appeal board its policy concerning Canadian asylum for people from communist countries?

The minister replied:

> No, Mr. Speaker, the board is empowered under the law to deal with this matter. I think it would be an unwarranted interference for me or any member of the government to communicate with them on this point.

• (10:10 p.m.)

Then I asked this supplementary:

> If it is government policy, and we have been told by the present and former Prime Ministers that it is, surely this statement should be made before the board to help it in its decisions. This

is what I was asking of the minister, not to interfere but to place that general statement before the board.

The Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Haidasz) followed this up by saying:

May I ask a supplementary question, Mr. Speaker? May I ask the Minister of Manpower and Immigration whether his representative before the Immigration Appeal Board will take government policy into consideration?

The minister replied:

Yes, Mr. Speaker, I give my hon. friend that assurance.

What a kicking around of words! All I was asking was that the government instruct its advocate before that board to make exactly the same point the minister conceded to the parliamentary secretary. But what happened was that no such point was ever made to the board. The counsel briefed on behalf of the Department of Manpower and Immigration did not go before the board and did not say that it is government policy to grant asylum in Canada to those who are political refugees.

Today, I raised the question again with the Acting Minister of Manpower and Immigration to see whether perhaps a government counsel had been instructed, in the light of that exchange briefly on December 20, to change his or the government's tune in the submission to the board in the case of these nine Polish seamen. Most of us know there can be no justification for the alibi that this is a matter which is before the board and therefore the government should stand back.

The fact is the government is represented before that board by a lawyer and the government gave him some kind of instructions to appear before the board. Quite obviously, they have not given this lawyer instructions to present to the board a statement of government policy that Canada in the past has given refuge to people from Communist countries.

I shall conclude by quoting one of the most amazing answers ever given in the House of Commons. It is so amazing that it skipped completely over the head of the fourth estate. This is found in *Hansard* for November 27 at page 3248 in reply to a written question of mine about illegal Greek immigrants into Canada. I had asked the minister

Did any of the above—

Referring to Greek nationals

—seek refuge in Canada on political grounds and, if so, how many requests were (a) granted (b) refused.

[Mr. McCleave.]

The answer was that no figures are available. If a government department or minister does not know how many people have come to Canada and have asked and pleaded with us to give them asylum because they would be imperiled if they went somewhere else then, sir, it is no government at all.

[*Translation*]

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I thank the honourable member for Halifax-East Hants (Mr. McCleave) for his question. As he mentioned earlier, he asked a similar question on December 20 last which was followed by a supplementary question by the honourable member for Parkdale (Mr. Haidasz) who also shows a particular interest for those Polish seamen seeking asylum in Canada.

We know, Mr. Speaker, that desertion by Polish seamen is not a new thing. These seamen are not the first to desert and ask for political asylum.

In 1966, the department had to deal with seven cases of deserting seamen who wanted to seek political asylum; in 1967, there were 22 such cases and 29 in 1968. The honourable member for Halifax-East Hants said a while ago that the department made a mockery of requests for political asylum. The department does not make a mockery of those requests but the person concerned must give proof of being a political refugee. Until now, there has been no proof that, in the past, deserting Polish seamen, or their families were victims of maltreatment on the part of the government once they had returned to their country. Certain cases were accepted by the department, thanks to a permit granted by the minister.

In this case, the request was turned down by the Appeal Board; some time ago, a new request was turned down and, last week or the week before, a new appeal was made to the board which is due to give its ruling this week. I can assure the honourable member that if the applicants prove to the board that upon returning to their country they will be maltreated or persecuted by their government, the commissioners will grant their request and allow them to become Canadian citizens.

Mr. Speaker, it is a well known fact that Canada, more than any other country, facilitates immigration: proof has been given of this. I therefore fail to see why constant

attempts are being made to blame the present government, claiming that it prevents immigration or puts restrictions on it. In some cases, for the protection of the Canadian citizens, special attention must be given to certain requests and that is why we have made changes in our restrictions to immigration.

The honourable member can rest assured that the Department of Immigration does everything possible to study fairly all requests for immigration coming from various countries, but he must also understand that we cannot—

The Acting Speaker (Mr. Béchard): Order.

Mr. Loiselle: —accept all the requests that are presented.

The Acting Speaker (Mr. Béchard): Order.

[*English*]

TRANSPORTATION ACROSS BAY OF FUNDY

Mr. Louis-Roland Comeau (South Western Nova): The subject I wish to deal with is certainly not new to this house. We have brought this matter to the attention of the Department of Transport on many occasions and I am disappointed that there is not a member of the Department of Transport here tonight.

It is my information that about 15 years ago there was a considerable push for a train-car ferry from Digby to Saint John. Approximately ten years ago a ferry for carrying all kinds of road vehicles was proposed. Approximately six years ago the real push was made, but it was then realized that we might be too late and that south western Nova Scotia had perhaps missed the boat. Since then what have we received? The Princess Hélène was replaced by the former Princess Nanaimo, renamed the Princess of Acadia. This ferry that had become obsolete in British Columbia was supposed to be the answer to our transportation problems.

Mr. Regan, the present leader of the Nova Scotia Liberal party, referred to this matter on July 26, 1963 as recorded in *Hansard* at page 2697. My information is that in 1963 there was almost a firm agreement between the government and the C.P.R. and that only the dots on the "i's" and the crosses on the "t's" had to be accomplished. What has happened since then?

Since 1965 some 22 questions have been asked by the hon. member for Annapolis Valley (Mr. Nowlan), all relating to this matter. In 1968 I personally raised the matter about a half a dozen times. The hon. member for Saint John-Lancaster (Mr. Bell) has raised this matter on many occasions since he has been here. The answers provided to these questions by the ministry have ranged from: the matter is now under study; we are now negotiating; we are experiencing technical difficulties and, lately, the service will be provided soon. When is "soon", Mr. Speaker?

The Trudeau announcement of May 30, 1968 related to a multi-million project; a $17 million freight-auto-passenger service. That evening the Liberal candidate was interviewed at a political rally. He indicated that a decision had been made to proceed with the building of a ferry and the terminal this year. That was 1968.

• (10:20 p.m.)

It is a shame, Mr. Speaker, that politics is abused to this extent. There is no patronage, but no boat either, and the people of south-western Nova Scotia, in the Annapolis Valley, are frustrated, infuriated and depressed by announcements that keep repeating the word "soon". Every time there is political prestige or political headlines to be made, it is the same story—"soon". The Digby *Courier* of January 9, last week, contained an article wherein a councillor reported to that newspaper that news reports indicated that the tender for the new ferry to run between Digby and Saint John would be awarded soon and that contracts for the terminal would be let in the near future. The same story appeared again last week.

Today I asked a question in the house and received the same answer. What is the secret? Why the sea of secrecy? I say to the government, tell the people, tell the boards of trade, tell the municipal and town governments, tell the M.P.'s and the business people what the hold-up is. What is the problem? Tell us so that we do not have to start anew every time a new government or a new minister is appointed. If the government is not responsible for this and it is the C.P.R. or other agencies that are responsible, why make announcements at all?

It is the responsibility of the government to provide this essential highway link and they should be able to overcome these difficulties. There is an economic future for the Atlantic area but the whole transportation problem must be solved, not only water transportation but air transportation. There is a future for our fishing industry. There is a future for eastern agriculture. There is a possibility of

attracting new industry, but we must stop playing politics and use a little bit of common sense.

I suggest to this just society that transportation is the key, and that we must get on with the job.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the hon. member knows, the ferry service from Digby to Saint John has been operated for many years by the Canadian Pacific Railway. It has now been agreed that the responsibility for providing a new vessel for this service belongs to the C.P.R. The C.P.R. has received tenders for the construction of the new vessel and should make an announcement in the next week or so as to where it will be built and when it will be ready.

Motion agreed to and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, January 15, 1969

The house met at 2 p.m.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CONSTRUCTION OF POST OFFICES UNDER WINTER WORKS PROGRAM

Question No. 377—**Mr. McCleave:**

1. Has the building of small post offices under the winter works programme been eliminated?

2. How many post offices were constructed under the programme, and what was the total value of such contracts?

3. Has an estimate been made of the man-hours of work provided and, if so, what?

Hon. Arthur Laing (Minister of Public Works): 1. Yes.

2. Approximately 711 post offices were constructed under the programme at a total value of about $13,600,000., including the cost of sites, site surveys, legal fees and construction contracts.

3. No.

BROADCASTING—PAT BURNS

Question No. 408—**Mr. Valade:**

1. Since January 1962, have any written or verbal complaints been addressed either to the B.B.G. or the Canadian Radio-Television Commission regarding Pat Burns, a radio commentator employed by radio station C.K.G.M. in Montreal and, if so (a) how many were received (b) what are the names in each case (c) what was the nature of these complaints?

2. Since 1962, has the government or any member of the present or previous governments asked the B.B.G. or the Canadian Radio-Television Commission to investigate or report on (a) the statements or comments made over the air by the said Pat Burns (b) the complaints received by government bodies following these statements or comments?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Radio-Television Commission as follows: 1. (a) Since January 1962, the BBG and its successor the CRTC has received approximately 957 letters commenting on some aspect of the work of Mr. Pat Burns, while he was engaged in Vancouver by radio station CJOR, of which approximately 145 are letters of complaint. Since his engagement in August 1965 at CKGM Montreal, some 56 letters of complaint have been received. (b) It is the policy of the CRTC not to release the names of persons corresponding with the regulatory body. (c) Complaints received relate to Mr. Burn's attitude and treatment of subjects discussed on open-line programmes.

2. There is no record of members of the present or previous government asking for an investigation or report.

COLUMBIA RIVER SYSTEM—ARROW DAM

Question No. 485—**Mr. Harding:**

1. Was the Columbia River at the site of the Arrow Dam open to year-round river traffic prior to the dam construction?

2. Is the operation of the lock in the Arrow Dam on a year-round basis and, if not (a) what is the present schedule (b) when was it put into effect?

3. Who will defray the cost of operating the lock in the Arrow Dam?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): 1. Yes.

2. Yes.

3. The British Columbia Hydro and Power Authority.

COMMUNITY PASTURE ON INDIAN RESERVES, SASKATCHEWAN

Question No. 556—**Mr. Burton:** (supplementary)

2. What government agencies are involved in the development of the project and what is the responsibility of each?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 2. PFRA is responsible for the development of the areas under a ten year lease agreement. The development program is scheduled to be completed by 1970. The pasture will be in operation by 1971. The PFRA will operate and maintain the pastures to the end of the lease agreement at which time the Indian Bands concerned will have the option for renewal.

The Department of Indian Affairs and Northern Development act as agents for the Indian Bands in entering into agreement with PFRA for this work and to mediate problems which may arise.

N.B. The other parts of this question were answered on November 13, 1968.

Questions

C.B.C.—MEXICO CITY SUMMER OLYMPICS

Question No. 574—**Mr. Coates:**

1. How many officials of the C.B.C. visited Mexico prior to the start of the Olympic Games?

2. How many employees of the C.B.C. covered the Olympic Games and what is the estimated cost of the coverage of these games?

3. What is the total amount obtained by the C.B.C. from sponsors for the coverage of the Olympic Games?

4. What is the breakdown of employees covering the Olympic Games by divisions, both as to the French and English networks of the C.B.C. as well as to radio and television?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. Five of the C.B.C. employees assigned to Mexico for the Oympic Games went there in advance in connection with preliminary planning for the C.B.C. Olympic coverage.

2. The C.B.C. had 106 personnel in Mexico for Canadian coverage of the 1968 Summer Olympic Games. In addition, 23 C.B.C. employees were contracted out to the American Broadcasting Company, holders of North American broadcasting rights.

Total direct cost was approximately $930,000 including the cost of transmission facilities between Mexico and Canada, payment for Canadian T.V. rights, salaries of C.B.C. personnel, payments to casual employees and freelancers, transportation and living expenses, shipping charges on equipment.

3. Billings to sponsors of the Olympic coverage amounted to $315,000 of which $84,000 was paid to private stations affiliated with C.B.C. networks, for a net commercial revenue of $231,000.

4. English Radio, 21; English T.V., 38. French Radio, 12; French T.V., 24. International Service, 3; Administrative, 8.

Question No. 605—**Mr. Mahoney:**

1. How many C.B.C. employees were engaged in Mexico City covering the 1968 Summer Olympic Games (a) for television only (b) for radio only (c) for both radio and television?

2. How many persons, other than employees, were retained by the C.B.C. to cover the 1968 Summer Olympic Games in Mexico City (a) for television only (b) for radio only (c) for both radio and television?

3. Of the number of persons enumerated in the answers to each of parts 2 (a), 2 (b) and 2 (c), how many were from (a) Canada (b) Great Britain (c) the United States (d) Mexico (e) elsewhere?

4. What was the cost, in Canadian dollars, to the C.B.C. in respect of the persons enumerated in the answers to each of parts 3 (a) to 3 (e) inclusive and, in each case, how much of the cost was fees or retainers, and how much transportation, living and other expense allowance?

5. What was the total cost, in Canadian dollars, to the C.B.C., in respect of the persons enumerated in the answers to each of parts 1 (a), 1 (b) and 1 (c) and, in each case, how much of this cost was salaries or wages and other normal payroll charges, and how much transportation, living and other expense allowances?

6. How many minutes of Olympic coverage, originated in Mexico, were carried by the C.B.C. networks, between the dates of commencement and conclusion of the 1968 Summer Olympics, both dates inclusive, by the following methods and media (a) live on the French T.V. network (b) live on the French Radio network (c) live on the English T.V. network (d) live on the English radio network (e) delayed on the French T.V. network (f) delayed on the French Radio network (g) delayed on the English T.V. network (h) delayed on the English Radio network?

7. Of the minutes of delayed coverage enumerated in the answers to parts 6 (e) to 6 (h), inclusive, how many were repetition of minutes of live coverage enumerated respectively in the answers to parts 6 (a) to 6 (d) inclusive?

8. What was the total direct cost to the C.B.C., in Canadian dollars, of covering the 1968 Summer Olympics?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. The C.B.C. had 106 personnel in Mexico for Canadian coverage of the 1968 Summer Olympic Games as follows: (a) Television, 62; (b) Radio (including International Service), 36; (c) Radio and T.V. (Administrative), 8. In addition, 23 C.B.C. employees were contracted out to the American Broadcasting Company, holders of North American broadcasting rights.

2 and 3. Fifty-two persons other than C.B.C. employees were retained in connection with the Games, 48 of whom were hired locally in Mexico to provide general services including messengers, drivers, typists, interpreters. The other four people were engaged in radio and television programming as analyst, researcher and commentators. Three were from Canada and one was from Great Britain.

4. Cost in respect of the people referred to in 2 and 3 above was $37,500. This included an amount of $8,600 in fees, transportation and living expenses for the program contributors. The remainder was for salaries paid to the 48 people hired locally.

5. Salaries, wages and other normal payroll charges in relation to C.B.C. employees engaged in Canadian radio and T.V. coverage amounted to approximately $92,000. Trans-

portation, living and other expenses amounted to approximately $143,000 as follows:

	Salaries	Transportation & other Expenses
	$	$
T.V.	49,000	85,000
Radio (including International Service)	31,000	49,000
Radio/T.V. (Administrative)	12,000	9,000
Total	92,000	143,000

6. (a) 4½ hours (b) 18 hours (c) 5½ hours (d) 48¼ hours (e) 21 hours (f) 3¼ hours (g) 30¾ hours (h) 6 hours; plus 24½ hours for the C.B.C. International Service. Total: 161¾ hours.

7. Details as to repeat broadcasts are not readily available.

8. Total direct cost was approximately $930,000 including the cost of transmission facilities between Mexico and Canada, payment for Canadian T.V. rights, salaries of C.B.C. personnel, payments to casual employees and freelancers, transportation and living expenses, shipping charges on equipment.

Billings to sponsors of the Olympic coverage amounted to $315,000 of which $84,000 was paid to private stations affiliated with C.B.C. networks, for a net commercial revenue of $231,000.

SEAPORT CARGO TONNAGE

Question No. 647—**Mr. Harding:**

1. What was the total cargo tonnage handled in the following seaports: Vancouver, Prince Rupert, Montreal, Halifax, Port Arthur-Fort William, Sept Îles (including Pointe Noire) for the years 1966, 1967, 1968 to June 30th?

2. What was the total revenue received by and the cost to the federal government from the operation of each of the above ports?

Hon. Paul Hellyer (Minister of Transport):

1.

	1966	1967	1968 to June 30
Vancouver	21,703,131	23,096,287	Not available
Prince Rupert	1,513,132	1,457,815	"
Montreal	24,872,222	20,740,279	"
Halifax	9,652,985	9,363,659	"
Port Arthur-Fort William	19,503,923	15,629,208	"
Sept-Iles (including Pointe Noire)	19,947,778	22,665,183	"

2.

	1966	1967	1968 to June 30
Vancouver:			
Operating income	$ 6,522,025	$ 7,083,939	Not available
Operating expense (including depreciation)	5,340,743	6,621,077	
Prince Rupert:			
Operating income	$ 35,836	$ 29,619	Not available
Operating expense	73,618	75,038	
Montreal:			
Operating income	$16,994,397	$16,044,090	Not available
Operating expense (including depreciation)	13,004,216	13,957,797	
Halifax:			
Operating income	$ 2,713,317	$ 2,643,411	Not available
Operating expense (including depreciation)	3,137,215	3,220,449	
Port Arthur-Fort William:			
Operating income	$ 522,671	$ 448,424	Not available
Operating expense (including depreciation)	551,371	599,913	
Sept-Iles (including Pointe Noire):			
Operating income	$ 251,768	$ 274,472	Not available
Operating expense	81,170	122,880	

Questions

JURISDICTION OVER ISLANDS ALONG QUEBEC COAST

Question No. 659—**Mr. Fortin:**

1. Has the Province of Quebec asked for jurisdiction over the islands along the coast of New Quebec?

2. What progress has been made in negotiations concerning jurisdiction over these islands and what are the respective positions of the parties concerned?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): 1. No.

2. Not applicable.

ESQUIMALT HARBOUR POLLUTION

Question No. 662—**Mr. Anderson:**

1. Is the federal government presently engaged in any scheme to reduce the pollution of Esquimalt harbour caused by federally owned ships and installations?

2. If so, what is the extent of the project and what results have been achieved?

Hon. Paul Hellyer (Minister of Transport): 1. No.

2. The only two vessels using Esquimalt Harbour regularly are the recently constructed weather ships which are already equipped with complete marine sewage disposal systems discharging an uncontaminated effluent and oily water ballast separators which prevent oil being pumped into the harbour.

TORONTO INTERNATIONAL AIRPORT RUNWAYS

Question No. 672—**Mr. Robinson:**

1. What is the present length of the runways at Toronto International Airport?

2. To what extent is it anticipated these runways will be extended by (a) 1970-75 (b) 1980-85?

3. What new runways are to be provided by (a) 1970-75 (b) 1980-85?

4. Is the present acreage of Toronto International Airport sufficient to meet the extension of runways as deemed necessary up to the years (a) 1970-75 (b) 1980-85?

5. Is the present acreage of Toronto International Airport sufficient to provide additional runways apart from those presently in existence?

6. How many additional acres of land will be required to extend each of the present runways of Toronto International Airport in accordance with anticipated needs by the years (a) 1970-75 (b) 1980-85?

[Mr. Hellyer.]

Hon. Paul Hellyer (Minister of Transport): 1. The present length of runways at Toronto International Airport is as follows: Runway 14-32, 11,050′; Runway 05R-23L, 9,500′; Runway 05L-23R, 5,700′; Runway 10-28, 7,200′.

2. It is anticipated that Runway 05L-23R will be extended to 10,500′ by (a) 1970-75 (b) same by 1980-85. No change in other runway lengths by (a) 1970-75 (b) 1980-85.

3. There are no plans for any new runways to be constructed in the period 1970-75 or 1980-85.

4. Yes.

5. The present acreage of Toronto International Airport is not sufficient to provide additional runways.

6. No additional acres of land are required for the extension of present runways in accordance with anticipated needs by the years (a) 1970-75 (b) 1980-85.

ELIMINATION OF LEVEL CROSSINGS

Question No. 675—**Mr. Laprise:**

1. How many level crossings were eliminated during the past three years in each province, and (a) what share was paid by the federal government (b) what share was paid by the provincial governments?

2. How many projects for the elimination of level crossings are planned for this year (a) in each province and what is the estimated cost?

3. Is the federal government taking steps to expedite consideration of projects submitted by the provinces and to ensure that the sums voted for such projects are not returned to the treasury because the projects have not been carried out?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: 1. During the years 1965, 1966 and 1967, four hundred and seven (407) highway-railway crossings at grade were eliminated as follows: 35, British Columbia; 54, Alberta; 88, Saskatchewan; 24, Manitoba; 107, Ontario; 72, Quebec; 13, New Brunswick; 7, Nova Scotia; nil, Prince Edward Island; 6, Newfoundland; 1, Northwest and Yukon Territories. Total, 407.

Of the above-noted total, 132 crossings were eliminated as the result of construction of grade separations, highway and/or railway diversions, for which commitments were made from the Railway Grade Crossing Fund

and from the provincial governments totalling $36,009,452 and $5,331,284 respectively, as shown in the following table of distribution by province:

Province	No. of Crossings Closed	Total Committed From Railway Grade Crossing Fund	Total Contribution From Provincial Governments
		$	$
British Columbia	10	3,133,000	409,000
Alberta	11	2,427,578	117,591
Saskatchewan	2	698,400	31,685
Manitoba	5	2,503,400	539,400
Ontario	53	18,917,197	2,151,439
Quebec	35	6,032,230	1,739,365
New Brunswick	9	636,610	106,802
Nova Scotia	4	347,377	3,862
Prince Edward Island	nil	nil	nil
Newfoundland	3	1,313,660	232,140
Northwest & Yukon Territories	nil	nil	nil
Totals	132	36,009,452	5,331,284

2. From January 1st, 1968, to October 31st, 1968, the Railway Transport Committee approved 35 projects which will result in the elimination of 42 level crossings and commitments totalling $9,638,305 were made from the Railway Grade Crossing Fund as follows:

Province	No. of Crossings To Be Closed	Commitment From Railway Grade Crossing Fund
		$
British Columbia	2	574,400
Alberta	2	501,000
Saskatchewan	1	500,000
Manitoba	—	—
Ontario	28	6,635,535
Quebec	5	1,134,570
New Brunswick	—	—
Nova Scotia	3	254,400
Prince Edward Island	—	—
Newfoundland	—	—
Northwest & Yukon Territories	1	38,400
Totals	42	9,638,305

Sixty-two other crossings were authorized to be closed during this same period; however, no contributions were made from the fund toward the cost of closing same.

There are a number of applications for other projects now under consideration by the Committee, but it is not known how many of these will be approved during the current year.

3. The coordination of the work of the Railway Transport Committee of the Canadian Transport Commission with the provincial highway authorities is constantly maintained through consultation and every effort made to expedite consideration of all projects submitted. Amounts credited to the Railway Grade Crossing Fund by statutory and other parliamentary votes which are unexpended at the end of a fiscal year are not returned to treasury because particular projects have not been completed. Commitments for projects which have been approved but which remain outstanding due to the time factor necessary for financing construction and auditing of accounts remain outstanding against the fund.

MANPOWER AND IMMIGRATION OFFICE ACCOMMODATION

Question No. 677—**Mr. Thompson (Red Deer):**

1. What was the amount allocated for alteration and upgrading of offices of the Department of Manpower and Immigration between February 1967 and the most recent available date?

2. What was the amount allocated for the acquisition of new office space between February 1967 and the most recent available date?

3. What was the amount allocated for the rental of non-federal owned buildings between February 1967 and the most recent available date?

Questions

4. What was the total number of persons employed by the Department at (a) January 1, 1966 (b) January 1, 1967 (c) January 1, 1968 (d) August 31, 1968?

5. Of these, how many persons were employed in positions with a maximum salary above $12,000 per annum at (a) January 1, 1966 (b) January 1, 1967 (c) January 1, 1968 (d) August 31, 1968?

6. How many persons have resigned, or given notice of an intention to resign, from positions with a maximum salary above $12,000 per year since January 1, 1966 and of those (a) how many have resigned or given notice of intention to resign, since June 30, 1967; (b) how many have resigned, or given notice of intention to resign, since June 30, 1968?

7. How many persons in positions with a maximum salary above $12,000 per year have been transferred or advised that they will be transferred, to other departments since January 1, 1966 and, of these (a) how many since June 30, 1967; (b) how many since June 30, 1968?

8. How many persons holding positions with a maximum salary above $12,000 per year have requested transfer to other departments since January 1, 1966 and of these (a) how many since June 30, 1967 (b) how many since June 30, 1968?

Mr. Yves Forest (Parliamentary Secretary to President of Privy Council): I am informed by the departments of Manpower and Immigration and Public Works as follows: 1. The amount spent for alteration and upgrading of offices of the Department of Manpower and Immigration between February 1967 and the most recent available date was $1,274,915.

2. The amount spent for the purchase and/or construction of new office space between February 1967 and the most recent available date was $129,299.

3. The amount spent for the rental of non-federal owned buildings between February 1967 and the most recent available date was $5,246,509.

4. (a) 6494 (This is the total staff as at 31.3.66. Accurate figure as at 1.1.66 is not available); (b) 7070; (c) 8431; (d) 8570.

5. (a) 91; (b) 150; (c) 233; (d) 265.

6. 7; (a) 5; (b) 4.

7. 11; (a) 10; (b) 7.

8. Nil.

ADULT RETRAINING COURSES, RIMOUSKI CONSTITUENCY

Question No. 689—**Mr. LeBlanc (Rimouski):**

With regard to the administration of adult retraining courses, what is the name of each course director for each municipality in the constituency of Rimouski?

[Mr. Thompson (Red Deer).]

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Courses are given by the regional school commission in the following centres: Bic; Les Boules; Les Hauteurs; Luceville; Mont-Joli; Prince and St. Octave; La Rédemption; Rimouski; St. Anaclet; St. Charles-Garnier; St. Donat; St. Fabien; St. Gabriel, St. Marcellin; St. Narcisse; St. Valérien; Ste Angèle; Ste Blandine; Ste Jeanne-D'Arc; Trinité des Monts.

Course directors are provincial personnel and their names should be obtained from the province.

[*English*]

C.N.R. ATLANTIC REGION—EMPLOYEE BILINGUALISM

Question No. 702—**Mr. Coates:**

1. Have any employees of the CNR in the Atlantic Region been released or demoted in their employment because they are not bilingual and, if so, how many?

2. Have any employees of the CNR in the Atlantic Region been informed that they will be released or demoted if they do not secure a working knowledge of the French language and, if so, how many have been so informed?

Hon. Paul Hellyer (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. It is the system objective that throughout the Province of Quebec and in other sections of Canada where French is the mother-tongue of a significant proportion of customers of CN services, persons dealing with the system either orally or in writing may be able to do so readily in either English or French. It is also the Company's policy and practice through language instruction to encourage employees in acquiring the degree of proficiency in either language required by their present or prospective positions. Generally, it can be stated that any employees affected by the implementation of the foregoing objective exercise seniority within their respective groups in accordance with existing wage agreements and the Railway makes every effort to find alternative employment for employees who may be affected by any changed conditions.

2. No.

NATIONAL GRID SYSTEM

Question No. 707—**Mr. Coates:**

What progress has the federal government made in the establishment of a national grid system for the transportation of electrical energy?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): A report on this subject by the Federal-Provincial Working Committee on Long Distance Transmission has been submitted to all participating governments and was tabled in the House of Commons on December 11, 1968. The federal government is encouraging the strengthening of regional transmission interconnections as a first step towards a national transmission grid.

SPRINGHILL, N.S.—MINE DUMP FIRE

Question No. 712—**Mr. Coates:**

1. Were officials of the Department of Energy, Mines and Resources at the site of the mine dump fire at Springhill, Nova Scotia and, if so, for what reason and at whose request?

2. What are the names of the officials who made the visit to Springhill, what positions do they hold in the Department and did they prepare a report and, if so, for whom and is this report confidential or available to the public?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): 1. Yes. To inspect the nature of the fire at the request of the Area Development Agency then under the Department of Industry and now under the Department of Forestry and Rural Development, and the Nova Scotia Department of Trade and Industry.

2. T. E. Tibbetts, Head, Coal Preparation and Surveys Section, Fuels Research Centre of the Mines Branch visited the site on April 11, 1968 and again on September 30, 1968, at which time he was accompanied by D. J. O'Brien, a Technician with the department's Fuels Research Centre Laboratory, Sydney, Nova Scotia. A brief memorandum was submitted to the Nova Scotia Department of Trade and Industry and others concerned. A further report will be submitted after completion of examination of dump samples.

RETURNING OFFICERS—QUEBEC

Question No. 717—**Mr. Godin:**

1. How many returning officers have been appointed since 1965 in the Province of Quebec?

2. What is the name and address of each officer who is still holding this position and who held it before 1965?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Chief Electoral Officer as follows: 1. 85.

2. Abitibi, Mr. Paul-Henri Poitras, 35 Principale Street, Amos, Quebec; Beauharnois, Mr. Joseph Primeau, 80 Ellice Street, Valleyfield, Quebec; Bonaventure, Mr. Louis Lacroix, Carleton-sur-Mer, Quebec; Charlevoix, Mr. A. Edmond Bertrand, P.O. Box 368, Pointe-au-Pic, Quebec; Chicoutimi, Mr. Léon-Georges Gauthier, 295 Labrecque Street, Chicoutimi, Quebec; Compton, Mr. Hervé Blouin, Saint-Isidore-d'Auckland, Quebec; Hull, Mr. Jean-Louis Garneau, 81 Saint-Joseph Boulevard, Hull, Quebec; Laprairie, Mr. Yvon Joyal, 270 Lespérance Street, Saint-Lambert, Quebec; Manicouagan, Mr. Roger Savard, 566 Joliette Street, Hauterive, Quebec; Matane, Mr. André-A. Lévesque, P.O. Box 70, Amqui, Quebec; Portneuf, Mr. Guy Renaud, 106 Jacques-Cartier Boulevard, Donnacona, Quebec; Saint-Hyacinthe, Mr. Jean-Paul Brault, 1001 Sacré-Coeur Boulevard, Saint-Hyacinthe, Quebec; Shefford, Mr. Paul Langlois, 354 Laurier Street, Granby, Quebec; Temiscouata, Mr. Jacques Miville, 22 Pelletier Street, Rivière-du-Loup, Quebec; Mount Royal, Mr. Wilfred G. Brown, 5849 McLynn Avenue, Montreal 29, Quebec; Papineau, Mr. J.-Armand Laurencelle, 7256 Christophe-Colomb Street, Montreal 10, Quebec; Saint-Jacques, Mr. Paul-Emile Jodoin, 1239 St-Timothée Street, Montréal, Quebec; Verdun, Mr. Roméo Aubertin, 3851 Verdun Avenue, Verdun, Quebec.

AIR CANADA—WINNIPEG MAINTENANCE BASE

Question No. 724—**Mr. Fortin:**

1. Was a decision made to move the Air Canada maintenance base from Winnipeg to Montreal and, if so (a) on what date (b) what are the reasons for the delay in putting such decision into effect?

2. Did the President of Air Canada send a letter during February, 1963, to his employees informing them of the transfer of the base and, if so, what were the contents of this letter?

3. What recommendations were made in the report prepared by the R. Dixon Spears Associates and for what reasons were such recommendations not implemented?

4. Over the past five years what oral or written directives have been given to Air Canada by the government or a Minister of the Crown?

5. What recommendations were made in the report prepared by the Wallace Clark Company in 1957?

6. What were the recommendations of the Thompson Commisson?

7. What was the cost of the inquiries carried out by (a) Wallace Clark (b) Dixon Spears Associates (c) the Thompson Commission?

8. Were the conclusions of these three inquiries concerning the transfer to Montreal of the Air Canada maintenance base put into effect and, if not, for what reasons?

9. Will consideration be given to having the directors of Air Canada appear before a Parliamentary Committee to give evidence in this connection?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows: 1. Yes. (a) In 1957, to be effective with the phasing out of Viscount aircraft. (b) There are still a substantial number of Viscounts in operation.

2. No.

3. The Winnipeg Base should be closed down at the earliest possible date. Air Canada's facility planning is in line with this recommendation. "The earliest possible date" has been established as the date when phasing out of Viscount aircraft reduces their numbers below 30.

4. See attached copy of announcement made by the Hon. Paul T. Hellyer December 9, 1968.

5. That Air Canada construct a single consolidated Main Base located at Dorval.

6. Commission agreed with Air Canada and their consultants that a single base is best for Air Canada.

7. (a) Approximately $100,000. (b) Approximately $57,000. (c) Air Canada's expenditure: $98,500.

8. See (1) above.

9. Air Canada's officers have appeared from time to time before the Parliamentary Committee on Transport and Communications and have dealt with questions concerning the Winnipeg Base.

December 9, 1968

"Paul T. Hellyer, Minister of Transport, announced today the Government of Canada's proposal for maintaining repair and overhaul facilities in Winnipeg and developing additional aero space manufacturing activity in Manitoba.

These plans include the retention of Viscount overhaul work, further maintenance work from other companies, and new work in building and assembling parts for new jet aircraft.

Following serious consideration of the representations made by the Air Policy Committee of Manitoba, the Government of Canada agreed that the people of Manitoba and the Winnipeg employees of Air Canada should be protected against the consequences arising from the Air Canada decision of several years ago to establish consolidated maintenance facilities in Montreal.

The Government has therefore authorized Air Canada to commence negotiations with two large Canadian firms to enable one of them to undertake continued operation of the overhaul base in Winnipeg. Such negotiations will involve protection of the interests of present employees, maintenance of the present level of work, and provision for further expansion.

The two companies, Northwest Industries Limited and Aircraft Industries of Canada Limited, have each submitted plans for major development of the Winnipeg overhaul facilities. Activity at the Base will include present Viscount maintenance, additional Air Canada work, substantial repair and overhaul work from Lockheed California, repair of National Defense aircraft, and maintenance of other commercial aircraft. In addition, the Lockheed Aircraft Corporation has undertaken, as a result of purchases by Air Canada and the initiative of the Federal Government, to place substantial manufacturing and repair work with Manitoba firms. The combination of these specific commitments can produce in Manitoba a major centre of aero space activities.

It is expected that negotiations with these companies will require several weeks. During this time the Government of Canada has agreed to reconstruct the Working Party, composed of representatives of the Government of Canada, the Government of Manitoba and Air Canada to review all facts and considerations upon which the proposal has been based.

In announcing its proposal, the Government of Canada has fulfilled the commitment made by former Prime Minister Lester B. Pearson, reiterated last year by the present Minister of Transport that..."the Base will continue to be used for the overhaul of Viscount aircraft as long as these aircraft are in service" and ... "to ensure that other aircraft work is available in Winnipeg so that the eventual withdrawal of Viscounts is at least balanced by new activities"...

The Government of Canada believes that through the cooperation of the people and the Government of Manitoba, this proposal will permit Winnipeg to look forward to continued prominence as a major centre in the rapidly expanding aircraft industry."

[Mr. Fortin.]

BELL TELEPHONE CABLE TV

Question No. 732—**Mr. Robinson:**

Is the government considering legislation to provide that the Bell Telephone Company be given power to provide Cable TV service at nominal cost to subscribers?

Hon. Eric W. Kierans (Postmaster General): In so far as Telecommunications is concerned: In accordance with the Bell Telephone Act, Bell Canada has the power to provide television transmission channels to persons or companies authorized to operate television broadcasting receiving undertakings, otherwise known as CATV systems, and to receive compensation therefor.

TORONTO—THIRD TELEVISION OUTLET

Question No. 733—**Mr. Robinson:**

Is the government considering a third TV outlet for Metropolitan Toronto although Cable TV is being implemented?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Radio-Television Commission as follows: The Canadian Radio-Television Commission has announced it will hear applications for licences to carry on UHF television broadcasting transmitting undertakings at Toronto at its public hearing commencing on February 4, 1969 in Ottawa.

WINTER WORKS REPLACEMENTS

Question No. 744—**Mr. Matte:**

1. What precise measures does the government contemplate to adequately replace winter works?

2. Are some projects presently in progress?

3. If so, what are these projects?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): It is the government's intention to give a more extensive application to those manpower programs which are most efficient and effective in combating not only winter unemployment but unemployment in general. In the current fiscal year the federal government will spend $197 million to provide training and retraining for adult workers. As compared with the previous fiscal year, this is an increase of $47 million. The federal expenditure last winter on municipal winter works totalled approximately $25 million. There is also a program which will this fiscal year provide various kinds of mobility grants to approximately 30,000 workers involving expenditures up to $4 million. The counselling and placement services of Canada Manpower Centres across the country have been greatly extended and improved. The government feels that its new and modified manpower programs are much broader in scope and more effective in application than the Municipal Workers Incentive Program was.

To ensure that as many adult workers as possible are trained when they are unemployed rather than being pulled off the job to take training, the program is planned so that wherever possible, training takes place in regions where unemployment is highest. In addition, in co-operation with most of the provinces, as much as possible of this training will be carried out in the winter months. This, in fact, will take place this year and even more so next year and subsequently.

[*English*]

FORESTRY AND RURAL DEVELOPMENT PRESS RELEASES

Question No. 802—**Mr. Howard (Skeena):**

1. Does the Department of Forestry and Rural Development 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 and 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?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Yes: 35.

2. (a) Nil; (b) $146.75; (c) $397.60; (d) $118.30; (e) $1,087.00.

3. (a) Standard 32M Bond and 20M Bond, (b) 110,600 sheets—cost $258.70.

4. 350 (estimated).

LEVIS, QUE. SHIPYARDS

Question No. 807—**Mr. Caouette:**

Does the government intend to set up a corporation to develop the shipyards at Levis and, if not, for what reason?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The government does not intend to set up a corporation to develop the shipyards at Levis. There is already a privately owned shipyard in Lauzon with substantial employment. It is not the policy of the government to form Crown Corporations to compete with private industry.

Questions

[*English*]

ENERGY, MINES AND RESOURCES PRESS RELEASES

Question No. 819—**Mr. Howard (Skeena):**

1. Does the Department of Energy, Mines and Resources 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. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): 1. Yes. Thirty-one press releases issued in both English and French.

2. (a) $60.12; (b) $80.60; (c) $30.50; (d) $225.43; (e) $223.20.

3. (a) Cover sheets, 20 lb. bond; subsequent sheets, 16 lb. bond. (b) 24,800 sheets; $84.92.

4. Depending on the nature of the press release, federal-provincial and policy implications, or the necessity to clear the release with officials in provincial governments, the time required for the preparation (research and writing) of a news release can vary from about an hour to several days.

Production, including typing and duplicating in English and French, averages two man-hours per release. Distribution averages three man-hours per release.

FOREST FIRE CONTROL

Question No. 829—**Mr. Robinson:**

1. Is the government planning any further program to control the outbreak of forest fires?

2. What forest fire program is provided by the government in National Parks?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Fisheries, Indian Affairs and Northern Development as follows: 1. The Forestry Branch of the Department of Fisheries undertakes a continuing program of forest fire research designed to assist forest fire control agencies in Canada in the control of forest fires. It is the intention of the Department of Fisheries to increase resources allocated to forest fire research and related services with emphasis on solutions to practical fire control problems. As an example, the Department of Fisheries has set up a task force to undertake a thorough investigation of the potential usefulness of a country-wide mobile fleet of airtankers.

2. The Department of Indian Affairs and Northern Development is responsible for forest fire protection in our National Parks.

Each National Park has trained staff and facilities suited to its size and nature to provide effective forest fire protection of our park lands. The program includes forest fire prevention, detection and suppression activities as well as the provision of modern detection, communication and suppression equipment.

Additionally, the National Parks Service co-operates closely with forest fire protection agencies responsible for lands adjacent to the National Parks.

DEBATES SUBSCRIBERS

Question No. 864—**Mr. Caouette:**

How many subscribers were there to both the French and English versions of the House of Commons Debates for each year since 1963?

[*Translation*]

Hon. Donald C. Jamieson (Minister of Defence Production): Insofar as the Department of Public Printing and Stationery is concerned: The Debates of the House of Commons are sold and distributed on a sessional basis. Figures are therefore not available annually, as requested. Actual circulation figures are only available for the last two sessions, and the present session to date.

	English Edition	French Edition
27th Parliament		
1st Session (January 18, 1966 to May 8, 1967)	13,451	2,649
2nd Session (May 8, 1967 to April 23, 1968)	12,689	2,568
28th Parliament		
1st Session (to November 30, 1968)	13,211	2,622

The above does not include the distribution made by the Joint Parliamentary Distribution Office.

These figures are maintained for procurement purposes, to show the upward or downward trend and, having served this purpose, are not held any longer. The department's need for circulation figures is met by those of three sessions, including the one currently in progress.

[*English*]

CANADIAN COUNCIL OF RESOURCE MINISTERS MEETINGS

Question No. 871—**Mr. Nielsen:**

1. How many meetings have been held by the Canadian Council of Resource Ministers since the inception of the Council?

2. Of the total number of meetings held, how many have been attended by the Minister of Indian Affairs and Northern Development and/or his predecessors in office and in what year or years were such meetings attended?

3. Has the Legislative Council of either the Yukon or Northwest Territories been requested to participate in such meetings by their elected representatives?

4. If not, for what reason and is it the intention that they will be invited to participate in future meetings?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): 1. Nine.

2. None has been attended by the present Minister of Indian Affairs and Northern Development. Five were attended by his predecessor, in the years 1962, 1963, 1964 and twice in 1965.

3. No.

4. Membership of the Canadian Council of Resource Ministers is, by custom, restricted to Ministers of the Federal and Provincial Governments. Attendance at meetings of the Council by others than the Federal member of the Council, who is the Minister of Energy, Mines and Resources, would depend upon the subject matter to be discussed. Matters relating to the Yukon or Northwest Territories would, of course, be referred to the Minister of Indian Affairs and Northern Development.

TORONTO—WORK TO BE UNDERTAKEN

Question No. 893—**Mr. Robinson:**

What works are to be undertaken by the Department of Public Works in Metropolitan Toronto in the years 1968-72 inclusive and what is the extent of each project and where is each to be located?

Hon. Arthur Laing (Minister of Public Works): The following works are to be undertaken in Metropolitan Toronto with Department of Public Works funds for the balance of the fiscal year: City Delivery Building: Air conditioning Cafeteria, $48,200; Postal Station "C": Air treatment, $24,000; Postal Station "P": Lighting improvements, $18,000; Postal Station "K": Community Release Centre, $45,500; Rexdale Public Building: Air conditioning—Stage 2, $34,300; Sunnybrook Hospital: Lighting improvements, $5,000; Willowdale Public Building: Air treatment—Stage 2, $56,000.

It is not possible to state what works will be carried out in the ensuing years as this is dependent on the approval of estimates by Parliament.

SEA OTTERS FOR RESTOCKING PURPOSES

Question No. 898—**Mr. Anderson:**

1. Has the federal government any agreement with the United States with respect to the provision by the State of Alaska for sea otters to be used for restocking purposes on Vancouver Island or has it been requested by the provincial government of British Columbia to assist in any way the procurement of sea otters for restocking purposes?

2. Will the federal government intercede on behalf of the provincial government in order to obtain such animals from the United States or other countries?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. No.

2. Not applicable.

VICTORIA, B.C.—DOCK DEPTH INFORMATION FROM CHARTS

Question No. 899—**Mr. Anderson:**

1. Do Canadian Hydrographic Service Charts accurately indicate the depth of water alongside the Government docks in Victoria B.C., and, if not, what is the present depth of the water?

2. Will the appropriate federal department arrange for (a) the dredging of the silted portions of Victoria harbour (b) the reprinting of hydrographic charts to accurately reflect present water depths?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Energy, Mines and Resources and Public Works as follows: 1. Canadian Hydrographic Service Chart 3415 accurately indicate the depth of water alongside the Government docks, Piers A and B in Victoria, B.C., as found by a survey in March 1966. Three additional soundings were added to the inner end of the north side of Pier B, by Notices to Mariners, from a survey in December 1966. The accuracy of the charted soundings has been verified by a field check in December 1968.

2. (a) Recent survey indicates no serious siltation and therefore it is not proposed to carry out dredging in the immediate future; (b) As no inaccuracy has been found no chart action is required.

Questions

INDIAN AFFAIRS STAFF

Question No. 921—**Mr. Howard (Skeena):**

How many people were on the staff of the Indian Affairs Branch for each of the fiscal years 1957-58, 1958-59, 1959-60, 1960-61, 1961-62, 1962-63, 1963-64, 1964-65, 1965-66, 1966-67, 1967-68 and 1968-69?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The staff strength for the Indian Affairs Branch is given below: April 1957, 1875 (1072); April 1958, 1896 (1136); April 1959, 2031 (1223); April 1960, 2152 (1292); April 1961, 2288 (1353); April 1962, 2325 (1377); April 1963, 2315 (1391); April 1964, 2375 (1437); April 1965, 2550 (1479); April 1966, 2760 (1487); April 1967, 2900 (1537); April 1968, 3175 (1617).

N.B. Teacher positions denoted in brackets.

PERSONS HAVING INDIAN STATUS

Question No. 922—**Mr. Howard (Skeena):**

What was the population, in Canada, of those persons who had Indian Status pursuant to the Indian Act for each of the fiscal years, 1957-58, 1958-59, 1959-60, 1960-61, 1961-62, 1962-63, 1963-64, 1964-65, 1965-66, 1966-67, 1967-68 and 1968-69?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Population figures are maintained on a calendar year basis and they are as follows: December 31, 1954, 151,558; December 31, 1958, 174,242; December 31, 1959, 179,126; December 31, 1960, 185,129; December 31, 1961, 191,709; December 31, 1962, 198,220; December 31, 1963, 204,796; December 31, 1964, 211,389; December 31, 1965, 218,098; December 31, 1966, 224,164; December 31, 1967, 230,902.

The Department is unable to provide a figure for December 31, 1957. Prior to 1958, the only figures available are those in the Indian Census reports by the Dominion Bureau of Statistics published every five years, thus the only figure available prior to 1958 was for the year 1954.

INDIAN AFFAIRS EXPENDITURES

Question No. 923—**Mr. Howard (Skeena):**

How much money was spent by the Indian Affairs Branch for each of the fiscal years 1957-58, 1958-59, 1959-60, 1960-61, 1961-62, 1962-63, 1963-64, 1964-65, 1965-66, 1966-67, 1967-68 and 1968-69?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1957-58, $27,851,649; 1958-59, $36,390,112; 1959-60, $41,116,191; 1960-61; $46,427,090; 1961-62, $50,461,340; 1962-63, $51,001,803; 1963-64, $55,596,833; 1964-65, $64,763,745; 1965-66, $85,681,719; 1966-67, $104,645,398; 1967-68, $122,509,730; 1968-69, 136,093,420, estimated.

[Mr. Forest.]

TELEVISING OF N.F.L. GAMES

Question No. 924—**Mr. MacInnis (Cape Breton-East Richmond):**

What are the costs to the C.B.C. for televising the National Football League games?

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC that the total cost of carrying the National Football League games on both CBC English and French television networks averages $3,350 per game. This is more than offset by commercial revenue.

OLYMPIC GAMES—C.B.C. PERSONNEL

Question No. 925—**Mr. MacInnis (Cape Breton-East Richmond):**

1. How many people were sent to Mexico by the Canadian Broadcasting Corporation to cover the Olympic Games?

2. What was the total cost in salaries or wages for these people?

3. What were the costs, if any, to other agencies or networks in regard to the coverage by the C.B.C. of the Olympic Games?

4. What were the total hours televised publicly by the C.B.C. in Canada in relation to the Olympic Games in Mexico?

5. What revenues were derived by the C.B.C. in relation to coverage of the Olympic Games?

6. Was any attempt made to have any other T.V. service cover the Games for the C.B.C.?

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1. The CBC had 106 personnel in Mexico for Canadian coverage of the 1968 Summer Olympic Games. In addition, 23 CBC employees were contracted out to the American Broadcasting Company, holders of North American broadcasting rights, and four freelance people were sent as program contributors—an analyst, researcher and two commentators.

2. $92,000. in salaries, wages and other normal payroll charges in relation to the CBC employees, and $5,000. in fees to the freelance contributors.

3. None.

4. Canadian television coverage of the events by the CBC amounted to approximately 62 hours. Another 7½ hours of special programming in relation to the Olympic Games was presented in advance as a prelude to the 1968 events.

5. Billings to sponsors of the Olympic coverage amounted to $315,000. of which $84,000. was to private stations affiliated with CBC networks, for a net commercial revenue of $231,000.

6. No.

SASKATOON, SASK.—SECOND TELEVISION STATION

Question No. 927—**Mr. Douglas:**

1. Is a second television station for Saskatoon, Saskatchewan, currently under consideration?

2. If so, when will a decision be announced?

Hon. Gérard Pelletier (Secretary of State): 1. and 2. See reply to Question 553, *Hansard* No. 62 p. 3804.

SOUTH SASKATCHEWAN RIVER DAM EXPENDITURES

Question No. 928—**Mr. Douglas:**

1. What is the total expenditure to the end of the last fiscal year on the South Saskatchewan River Dam and associated irrigation and power projects by (a) the federal government (b) the Saskatchewan Government?

2. What further expenditures, if any, are yet to be made on this project by the federal government?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. (a) $108,382,000; (b) This information is available from the provincial government.

2. $5.2 millions (estimated to 1978).

FREELANCE BROADCASTERS WITH C.B.C.

Question No. 931—**Mr. Reid:**

1. Does the CBC employ "freelance broadcasters" and, if so, what are their terms of reference and by what guide-lines are they governed?

2. Did the CBC employ Jeremy Akerman during 1968 as a "freelance broadcaster" and, if so, during what months was he employed, and what was he paid through wages, commissions, fees, etc., per month during his employment?

3. What was the specific nature of his work for the CBC, and on what programmes, if any, did his material appear?

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1. Yes. Terms of reference and guidelines vary depending on the nature of the assignment involved. All material broadcast by the CBC must, of course, be consistent with CBC policies and adhere to the regulations of the Canadian Radio-Television Commission.

2. Yes. Mr. Akerman was employed in August, September, October and November. It has not been customary to require the CBC to disclose amounts paid to individuals.

3. Mr. Akerman worked as researcher, interviewer, host and speaker. His material appeared on the television program "Inside Out" and on the radio programs "Insomniac", "Ottawa Insight", "In Canada This Week" and "Ottawa Arts Magazine".

DEFENCE PRODUCTION EMPLOYEES LANGUAGE QUALIFICATIONS

Question No. 936—**Mr. Fortin:**

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 (d) bilingual?

[*Translation*]

Hon. Donald C. Jamieson (Minister of Defence Production): (a) Four; (b) Seventy-one; (c) One; (d) Twelve.

[*English*]

ASSISTANCE TO MEET COST OF TRANSPORTATION TERMINALS

Question No. 939—**Mr. Robinson:**

Is the federal government contemplating any direct financial aid to municipalities to offset the capital cost of transportation terminals for road, rail and airline service in major cities?

Hon. Paul Hellyer (Minister of Transport): The federal government accepts responsibility for the provision of airports including terminal buildings at sites which receive more than a minimum number of scheduled aircraft movements; this includes all major cities in Canada. No direct financial aid is contemplated to offset the capital cost of terminals for road or rail transport.

FEDERAL AID ON ROAD CONSTRUCTION COSTS

Question No. 943—**Mr. Robinson:**

Is the federal government contemplating any direct financial aid to municipalities to offset the capital cost of major road transportation arteries to major cities, airports and transportation terminals as an adjunct to the Trans-Canada Highway system?

Hon. Arthur Laing (Minister of Public Works): So far as the Department of Public Works is concerned the answer is no.

Questions

R.C.M.P. REGINA—"F" DIVISION BUILDING

Question No. 945—**Mr. Benjamin:**

1. Has construction been delayed on the proposed new "F" Division Headquarters building for the R.C.M.P. in Regina?

2. On what date was construction originally planned to start?

3. What is the new date planned for the start of this construction?

Hon. Arthur Laing (Minister of Public Works): 1. Yes, at the request of the R.C.M.P.

2. During the summer of 1969.

3. This project has been indefinitely postponed.

R.C.M.P. REGINA—SPACE IN DERRICK BUILDING

Question No. 946—**Mr. Benjamin:**

1. Has the R.C.M.P. leased space in the Derrick Building in Regina to be used by the operational division for Saskatchewan?

2. If so (a) for what reason was this space leased (b) for how long a period (c) what is the extent (d) the cost per square foot, and (e) the total cost of the area leased?

Hon. Arthur Laing (Minister of Public Works): 1. The Department of Public Works has leased space for the R.C.M.P. in the Derrick Building in Regina.

2. (a) To accommodate F Division Headquarters; (b) Five years; (c) Total space is 22,800 square feet, consisting of 22,670 square feet office space and 130 square feet storage space; (d) $4 per square foot for office space and $2 per square foot for storage; (e) $90,940 annually.

MOTELS IN NATIONAL PARKS

Question No. 948—**Mr. Caouette:**

Has the federal government any plans relative to the construction and operation of motels or other public conveniences in the national parks in (a) Canada (b) the Province of Quebec and, if so, in what language will these services be available?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The Federal Government policy for the construction and operation of motels and similar public conveniences in the National Parks stipulates that these will be built and operated by private enterprise as a result of public calls for tender. The staffing and servicing of each facility is the prerogative of the individual entrepreneur. The general operation of each facility is subject to the provisions of the lease and appropriate sections of the National Parks Act and related regulations.

[Mr. Laing (Vancouver South).]

Directional and informational signs are to be provided in Canada's official languages in all Parks. A similar program is being carried out in the production of new interpretative materials (exhibits, informational folders, etc.) as well as in the updating and replacing of those now in current use. This large project is now under way with the bulk of this work scheduled for completion towards the latter part of 1970. National Parks' staff are being provided in accordance with the requirements of the Public Service Commission Regulations and the intent and provisions of the proposed Official Languages Act.

There are no National Parks in the Province of Quebec.

TEMISCAMINGUE, QUE.—POST OFFICE CONSTRUCTION

Question No. 950—**Mr. Caouette:**

1. Does the government intend to enlarge or build new post offices in the constituency of Témiscamingue and, if so, when will tenders be called?

2. Does the government intend to set up a mail carrier service in other places in the constituency of Témiscamingue and, if so, when will the service be set up and where?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Public Works and Post Office as follows: 1. Tenders are expected to be called for the construction of a new Post Office building at Rollet, Que. in the summer of 1969.

2. No.

Note: The basic requirement for the establishment of letter carrier delivery in any community is the availability of 2,000 calls in a concentrated and well developed area. There is no community other than Rouyn and Noranda in the constituency of Témiscamingue that has developed to the stage where it can be foreseen when it will qualify for the establishment of house to house delivery by having the required number of calls.

TEMISCAMINGUE—FINANCIAL ASSISTANCE TO GOLD MINES

Question No. 955—**Mr. Caouette:**

1. What financial aid was granted to each of the gold mines in the constituency of Témiscamingue during the past fiscal year?

2. What profits did each of the mining companies in question declare during the past and present fiscal year?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): 1. The amount

of assistance payable to Wasamac Mines Limited under the Emergency Gold Mining Assistance Act was $508,938 for the year 1967. The Wasamac mine was the only gold mine operating in the electoral district of Témiscamingue in 1967. Nine other gold mines operated in the adjoining electoral district of Villeneuve in 1967.

2. The gold mining companies in common with other companies are required to report profits earned only to the Department of National Revenue for income tax purposes. Annual reports to shareholders by the companies usually contain a statement of profits earned.

CANADIAN OIL RESERVES

Question No. 962—**Mr. Harding:**

1. What were Canada's estimated oil reserves for the years 1961 to 1967 inclusive in terms of (a) barrels (b) number of years' supply?

2. For the years 1961 to 1967 inclusive, how many barrels of oil were (a) produced in Canada (b) imported (c) consumed in Canada (d) exported?

3. For the years 1961 to 1967 inclusive, what percentage of possible maximum capacity was produced by Canada's oil industry?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Energy, Mines and Resources and Industry and Trade and Commerce as follows:

1.

Year	Crude Oil Reserves Barrels	Number of Years' Supply
1961	(a) 4,173,569,000	(b) 18.9
1962	4,480,702,000	18.4
1963	4,881,492,000	18.7
1964	6,177,646,000	22.4
1965	6,711,237,000	23.0
1966	7,791,751,000	24.3
1967	8,168,173,000	23.1

2. See Table II attached.

3.

Year	Percentage of Possible Maximum Capacity
1961	53.5
1962	54.7
1963	56.1
1964	52.9
1965	54.1
1966	49.1
1967	50.9

VETERANS AFFAIRS PRESS RELEASES

Question No. 963—**Mr. Howard (Skeena):**

1. Does the Department of Veterans 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. Jean-Eudes Dubé (Minister of Veterans Affairs 1. Yes; 14.

2. (a) $21. (b) $30. (c) $90. (d) $5. (e) $63.

3. (a) No. 7 Bond 32M. (b) 6,000 sheets—$13.36.

4. 82 hours (estimated).

LOCATION OF CONSULTATIVE CONFERENCES WITH INDIAN PEOPLE

Question No. 964—**Mr. Howard (Skeena):**

1. (a) What was the location and date of each one of the so-called consultative conferences with Native Indian people which were held during 1968 (b) are any additional such Conferences planned and, if so, for what location and for which dates?

2. What is the name of each Cabinet Minister who attended each of the Conferences and the days of each such conference during which said Minister was in attendance?

3. (a) With respect to the Conference which was held at Lakelse, Hot Springs, was any indication given or motion passed, or statement made by the Native Indian delegates thereto that the particular Conference was only recessed and a request made to reviving the Conference at the earliest possible date (b) has another date been set for the resumption of that Conference and, if so, what are the details relating thereto?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):

1. (a)

Location	Dates
Yellowknife, N.W.T.	July 25, 26, 27
Moncton, N.B.	July 29, 30, 31
Toronto, Ont.	August 12, 13, 14
Fort William, Ont.	August 16, 17, 19
Sudbury, Ont.	August 21, 22, 23
Regina, Sask.	September 16 to 20
Quebec (Courville) Que.	September 30 to October 4

Questions

Location	Dates
Prince George, B.C.	October 14 to 18
Whitehorse, Yukon	October 21 to 23
Terrace (Lakelse) B.C.	October 24 to 28
Nanaimo, B.C.	October 30 to November 2
Kelowna, B.C.	November 12 to 16
Chilliwack, B.C.	November 18 to 22
Edmonton, Alta.	December 11 to 14
Winnipeg, Man.	December 18 to 21

1. (b) Plans are being made for a meeting in Ottawa for further discussions with Indian representatives selected from the delegates at each of the 15 meetings held across Canada. No date has been set.

It is planned to have a second series of cross Canada meetings to discuss the actual proposed legislation, the amendments to the Indian Act, following its introduction in the House of Commons.

2. See Question No. 618 (Parts 1 and 2), tabled in the House of Commons, December 4, 1968.

3. (a) At an in-camera session on October 28, the Indian delegates to the Lakelse meeting passed a motion requesting the representatives of the Government to return and continue consultation at the earliest possible date. In closing, the chairman declared the meeting recessed until they were provided with a date to continue. (b) No.

EXPENSES WHILE ATTENDING CONSULTATIVE CONFERENCES WITH INDIAN PEOPLE

Question No. 965—**Mr. Howard (Skeena):**

1. With respect to the so-called Consultative Conferences relating to the Indian Act and attended by Native Indian people and departmental officials, what was the amount of expense money or expenses provided to (a) Native Indian delegates or participants, and (b) officials of the Indian Affairs Branch?

2. Was any provision made to compensate the Native Indian delegates for wages or other income which they might have lost by reason of attending the Conferences and, if so, what are the details thereof?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) The Department paid the return transportation costs for each native Indian delegate. It also provided $15 per diem for living expenses. The diem covered travelling time, days spent in conference with departmental officials and for Sundays that interrupted a meeting; (b) The Department paid their expenses in accordance with Government Travel Regulations.

2. Each Indian delegate is provided with an honorarium of $10 per diem.

NEWFOUNDLAND—RESETTLEMENT PROGRAM

Question No. 969—**Mr. Carter:**

1. How many families in Newfoundland have been relocated under the government's Resettlement Program?

2. What steps have been taken by the government to investigate serious complaints in Newfoundland emanating from people who have been relocated under the Program?

3. Does the government intend to set up a committee to investigate the social and economic problems that are being encountered by people who have been relocated?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. No. of people moved up to September 30, 1968, 9,413; No. of households moved up to September 30, 1968, 1,875; No. of communities evacuated, 76; No. of communities approved and in the process of evacuation, 106.

2. No complaints have been received by this Department.

3. The government's intentions in this connection have already been translated into action. Members of the staff of the Institute of Social and Economic Research of Memorial University, Newfoundland, have during the past six months personally interviewed 374 families with a view to establishing the social, economic and cultural benefits accruing to them or losses suffered by them as a result of the move they made.

SCHOLASTIC STANDING OF IMMIGRANTS FROM UNITED STATES

Question No. 970—**Mr. Goode:**

How many individuals with (a) Doctorate degrees (b) Doctor of Psychology degrees, have immigrated to Canada from the U.S.A. since the start of the Vietnam conflict?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): No information is recorded for statistical purposes indicating the academic degrees held by immigrants. However, the table below gives a breakdown of immigrants in the professional category who came to Canada from the United States during the years 1961 to 1967 inclusive.

Professional Engineers: Civil, 291 Mechanical, 453; Industrial, 107; Electrical, 234; Mining, 178; Chemical, 185; Other, 137. Physical Scientists: Chemists, 236; Geologists, 263; Physicists, 40; Other, 103. Biologists, Agricultural Prof.: Biological Scientists, 163; Veterinarians, 55; Other, 58. Teachers: Professors and Principals, 2802; School Teachers, 3136; Other Instructors, 262. Health Professionals: Physicians and Surgeons, 532; Dentists, 105; Graduate Nurses, 1207; Nurses-in-training, 33; Therapists, 66; Optometrists, 13; Osteopaths and Chiropractors, 24; Pharmacists, 24; Medical and Dental Technicians, 247; Other Health Professionals, 136. Law Professionals: 31. Religion Professionals: 1586. Artists, Writers, Musicians: Commercial Artists, 121; Art Teachers, 37; Authors, Editors, Journalists, 336; Musicians and Music Teachers, 227. Other Professionals: Architects, 112; Draughtsmen, 300; Surveyors, 54; Actuaries, Statisticians, 46; Economists, 71; Computer Programmers, 45; Accountants, Auditors, 362; Dieticians, 42; Social Workers, 317; Librarians, 193; Interior Decorators, 73; Photographers, 67; Science Technicians, 369; Other Professionals, 670; Total, 15282.

MARC LALONDE—REMUNERATION RECEIVED

Question No. 973—**Mr. Muir (Cape Breton-The Sydneys):**

1. What was the amount received in salary and expenses by Mr. Marc Lalonde during the period he acted as (a) Special Assistant to the Honourable E. D. Fulton, Minister of Justice, 1959-60 (b) Junior Counsel to the Industrial Inquiry Commission in the disruption of shipping on the Great Lakes in 1962 (c) Special Adviser to the Chairman of the Royal Commission on Taxation in 1962-63 (d) Special Adviser to the Privy Council Office on securities, corporations and federal-provincial matters of a constitutional character in 1966-67, and (e) Special Adviser to the Prime Minister 1967-68?

2. What remuneration has Mr. Marc Lalonde received from June 27th, 1968, to the present date as Principal Secretary to the Prime Minister?

Mr. Yves Forest (Parliamentary Secretary to President of Privy Council): I am informed by the Department of Justice, the Department of Labour, and the Office of the Prime Minister as follows: 1. (a) Salary $10,518.33; expenses $206.63; (b) Remuneration for Services at per diem rates—67¼ days at $100 per day, $6,725.00; 18½ days at $150 per day, $2,775.00; Travelling Expenses, $1,635.00; Total, $11,135.00. (c) Fees, $2,280.00; expenses, $817.14. (d) For the period February 21, 1966, to December 31, 1966; fees, $20,243.75 and expenses, $4,664.86. For the period January 1, 1967, to March 31, 1967; fees, $5,372.50 and expenses, $700.00. (e) For the period April 1, 1967, to December 31, 1967; fees $25,987.50 and expenses $5,027.05. For the period January 1, 1968, to June 26, 1968; fees $18,000.00 and expenses $2,624.85.

2. Total remuneration for the period from June 27, 1968 to November 30, 1968, is $13,575.00.

CONSUMER AND CORPORATE AFFAIRS—PRESS RELEASES

Question No. 977—**Mr. Howard (Skeena):**

1. Does the Department of Consumer and Corporate 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 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. Ron Basford (Minister of Consumer and Corporate Affairs): 1. Yes; 21.

2. (a) $218.52; (b) $45.00; (c) $630.50; (d) $178.00; (e) $228.00.

3. (a) No. 7 Bond, 32M; (b) 80,000 sheets; $120.00.

4. 65.

TRENTON, ONT.—AVIATION TURBINE FUEL CONTRACTS

Question No. 986—**Mr. Mahoney:**

1. Have any contracts been let for the supply of aviation turbine fuel to the Canadian Forces Base, Trenton, Ontario, during 1966, 1967 and 1968?

2. If so, was the fuel manufactured in Canada from Canadian crude oil?

3. What quantity of fuel was involved and what price was paid or agreed to be paid for it?

4. Were refiners of Canadian crude oil invited to bid and what were the lowest bids received from them?

Hon. Donald C. Jamieson (Minister of Defence Production): 1. Yes.

2. The fuel purchased for delivery during period June 1, 1966 to May 31, 1967 was refined in Canada from Canadian crude oil. Fuel purchased for delivery during periods June 1 to May 31 for the years 1967-68

and 1968-69 was refined in Canada from imported crude.

Contract Period	Estimated Quantity	
1966-67	9,000,000 gals. by tank wagon	— $0.1365 prior to Jan. 1/67 $0.1375 effective Jan. 1/67
	by tank car	— $0.1465 prior to Jan. 1/67 $0.1475 effective Jan. 1/67
	In 45 gal. drums	— $0.363 prior to Jan. 1/67 — $0.364 effective Jan. 1/67
1967-68	8,005,000 gals. by tank car	— $0.1366
	by tank wagon	— $0.1483
	In 45 gal. drums.	— $0.477 Carload Lot $0.625 Less Carload Lot
1968-69	8,005,000 gals. by tank wagon	— $0.1338
	In 45 gal. drums	— $0.497 Carload Lot $0.645 Less Carload Lot

3. Quantity of fuel involved and price paid was:

4. Yes. The lowest bids received were: 1966-67: $0.1365 gal. by tank wagon; $0.1465 gal. by tank car. 1967-68: $0.1507 gal. by tank car for a 2 year contract; $0.1547 gal. by tank car for a 1 year contract; $0.1558 gal. by tank wagon for a 2 year contract; $0.1596 gal. by tank wagon for a 1 year contract. 1968-69: $0.24 gal. by tank wagon.

CHURCHILL, MAN.—DIESEL FUEL CONTRACTS

Question No. 987—**Mr. Mahoney:**

1. Have any contracts been let for the supply of diesel fuel oil to the Department of Public Works at Churchill, Manitoba, during 1966, 1967 and 1968?

2. If so, was the fuel manufactured in Canada from Canadian crude oil?

3. What quantity of diesel fuel oil was involved and what price was paid or agreed to be paid for it?

4. Were refiners of Canadian crude oil invited to bid, and what were the lowest bids received from them?

Hon. Donald C. Jamieson (Minister of Defence Production): 1. Yes.

2. No.

3. Quantity of Diesel Fuel Oil involved and price paid is as follows:

Period	Estimated Quantity	Price F.O.B. Marine Terminal, Churchill, Man.
Sept. 1, 1966 to August 31,1967	5,302,434 gals.	0.12962 per gal. prior to Jan. 1, 1967 0.13088 per gal. effective Jan. 1, 1967
Sept. 1, 1967 to August 31, 1968	5,491,600 gals.	0.12694 per gal.
Sept. 1, 1968 to August 31, 1969	6,771,000 gals.	Interim billing price 0.14 per gallon. Under the terms of the Lease Agreement with the contractor, the final price is established at the end of the contract period.

4. No.

[Mr. Jamieson.]

BROADCASTING—REQUESTS FOR NEWS TAPES

Question No. 990—**Mr. McCleave:**

1. On or about November 27, did any employee of the Canadian Radio-Television Commission communicate with radio stations requesting tapes of news broadcasts for a 24-hour period?

2. Who was the employee and what is his position?

3. (a) How many stations received these letters (b) how many of these have their renewal of license under consideration?

4. For what purposes are the tapes to be used?

5. Does the Commission propose to make information concerning the news broadcasts available to the task force studying government information services?

6. Is any member or employee of the Commission also a member of the task force and, if so, who?

7. Who initiated the request?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Radio-Television Commission as follows: 1. Yes.

2. W. L. Mahoney, Supervisor, Log Examination.

3. (a) 8 private stations and 2 CBC stations. (b) Two.

4. For purposes of research.

5. The Commission intends to provide information concerning newscasts to the Task Force as indicated in the letter sent to 10 radio stations dated November 29, 1968.

6. No member or employee of the Commission is a member of the task force; Mr. Bernard Ostry, a consultant to the CRTC is a member of the task force.

7. Mrs. Jean Bruce, Free-lance Researcher, Task Force on Government Information.

COMPOSITION OF FORCES PRIOR TO AND AFTER UNIFICATION

Question No. 993—**Mr. Robinson:**

1. What was the number of (a) Officers (b) Non-Commissioned Officers (c) men in each of the services (i) Navy (ii) Army (iii) Air Force immediately prior to unification of the Forces?

2. What is the number of (a) Officers (b) Non-Commissioned Officers (c) men in each of the services (i) Navy (ii) Army (iii) Air Force at the present time?

3. Since unification, how many (a) Officers (b) Non-Commissioned Officers (c) men have left each of these services (i) Navy (ii) Army (iii) Air Force?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. As of 31 January 1968:

	Officers & Cadets	Sgt. & Above	Cpl.	Pte. 4 & Below
Navy	3,103	4,977	4,348	5,490
Army	6,070	9,074	12,255	13,450
Air Force	9,049	7,225	19,594	8,870

2. As of 31 October, 1968:

	Officers & Cadets	Sgt. & Above	Cpl.	Pte. 4 & Below
Navy	3,026	4,816	4,464	5,088
Army	5,911	8,855	13,477	9,985
Air Force	8,863	7,171	20,289	6,453

3. The number of releases for all reasons from 1 February, 1968 to 31 October, 1968, is as follows:

	Officers & Cadets	Sgt. & Above	Cpl.	Pte. 4 & Below
Navy	314	188	298	1,397
Army	554	529	553	2,464
Air Force	694	406	702	1,448

CANADIAN ARMED FORCES—WEARING OF NEW UNIFORM

Question No. 994—**Mr. Robinson:**

1. It is the intention of the Canadian Government and in its program of unification of the Canadian Forces to implement the further program with regard to the wearing of the new uniform for (a) Officers (b) Non-Commissioned Officers (c) men?

2. When will all (a) Officers (b) Non-Commissioned Officers (c) men, be provided with the new uniform?

3. By what date will it be compulsory for all ranks to wear the new uniform?

Questions

4. What is the cost to the Canadian Government to provide the new uniforms to (a) Officers (b) Non-Commissioned Officers (c) men?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. (a), (b) & (c) Yes.

2. (a), (b) & (c) By early 1972.

3. When the Bases or Stations to which the individuals belong are completely equipped.

4. (a), (b) & (c) Treasury Board has approved procurement of the new uniform at a maximum cost of $25 million based on outfitting 100,000 regular force personnel. However, during the re-equiping period, expenditures on the old style uniforms will be sharply reduced and partially offset the cost of the new ones by some $14 million.

NATIONAL DEFENCE PRESS RELEASES

Question No. 997—**Mr. Howard (Skeena):**

1. Does the Department of National Defence 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?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Yes; 738.

2. (a) approximately $6.50; (b) $62.00; (c), (d) & (e) approximately $1,500.

3. (a) mimeograph 9M 18 lbs; bond no. 7, 16 lbs; photostat 3M; (b) approximately 100,000 sheets—$230.00.

4. 1600 hours (estimated).

GRAIN EXPORTS

Question No. 1,003—**Mr. Laprise:**

What were the quantities and prices of grain exported for the years 1941, 1951, 1961 and 1967?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry and Minister of Trade and Commerce): The Dominion Bureau of Statistics reports that: The quantities and prices of wheat exported for the years 1941, 1951, 1961 and 1967 were as follows:

Year	Quantity Bu.	Value $'000	Computed Average Price
1941	196,646,340	161,856	$0.823
1951	237,060,505	441,043	$1.860
1961	366,961,460	663,191	$1.807
1967	350,353,905	741,877	$2.118

[*English*]

SATELLITE AIRPORTS IN METROPOLITAN AREAS

Question No. 1,005—**Mr. Robinson:**

Is it the intention of the Canadian Government to provide satellite airports for large metropolitan areas such as Montreal and Toronto?

Hon. Paul Hellyer (Minister of Transport): When the need for a satellite airport is established, at any location in Canada, it is the intention of the Department to provide such a facility within the limits of resources available.

POST OFFICE DEPARTMENT PRESS RELEASES

Question No. 1,009—**Mr. Howard (Skeena):**

1. Does the Department of the Postmaster General 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. Eric W. Kierans (Postmaster General): 1. Yes, 35.

2. (a) $221.96; (b) $37.05; (c) $701.00; (d) $816.98; (e) $559.00.

3. (a) No. 7 bond white, 32 M. base white; (b) 166,125 sheets, $418.63.

4. 1,014 man-hours.

VETERANS AFFAIRS HOSPITAL STAFF REDUCTION

Question No. 1,010—**Mr. McCleave:**

1. Is there any general order from the Department of Veterans Affairs directed at any of its hospitals or regional offices to reduce staffs?

2. If so, in what hospitals or regions, and by what personnel and percentage amounts?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1 and 2. No. Although no general order has been issued by the Department to reduce its staff in its hospitals and district offices, all hospitals and districts have been requested to review their staffing policies to determine if they could increase productivity without impairing the standard of care or services to veterans. The Department as a whole is endeavouring to achieve a 3 per cent increase in productivity. No institution or district was given any specific target as the objective for increased productivity was departmental, rather than by program or institution.

C.M.H.C.—AMOUNTS REALIZED THROUGH SALES OF MORTGAGES

Question No. 1,012—**Mr. McCleave:**

1. What amounts have been realized by Central Mortgage and Housing Corporation in the sale of its mortgages, since this program was initiated, by year?

2. Did the program realize, over-realize or under-realize its expectations?

3. What steps, if any, are being considered to make mortgages on homes a more liquid asset and/or more attractive for investors?

4. Are further sales of its mortgages contemplated by the Corporation and, if so, when and in what amounts?

Hon. Paul Hellyer (Minister of Transport): 1. A total of $304.75 million was sold by auction as shown below:

Date	Mortgage Interest Rate	Sold Amount ($ million)	Average Accepted Price
1961 June	6¾%	12.50	101.17
Aug.	6¾%	13.50	101.35
Nov.	6¾%	15.00	101.79
1962 Mar.	6%	15.00	97.60
Nov.	6¾%	11.75	102.26
	6%	18.25	97.20
1963 Jan.	6¾%	11.00	101.97
	6%	16.25	96.55
May	6¾%	14.50	102.70
	6%	20.50	97.61
1964 Feb.	6¾%	7.75	102.64
	6%	17.25	97.69
May	6½%	10.25	100.97
	6%	14.75	97.85
Sept.	6½%	8.50	99.24
	6%	16.50	101.00
Dec.	6½%	9.00	100.96
	6%	16.00	98.24
1965 Mar.	6¼%	14.00	99.96
	6%	16.00	98.41
May	6¼%	13.50	99.66
	6%	13.00	98.32
		304.75	

2. There was no fixed sales target. It was simply intended to make available for sale whatever amount was required to lay a firm basis for an active secondary market. No offerings were made during the latter part of 1965 because of the unsettled market conditions which developed in June and no auctions were held in 1966 and 1967 because of the heavy pressure on the market for long-term funds.

3. Several approved lenders have greatly increased their marketing efforts and are aggressively seeking purchasers, particularly pension funds. Some lenders, in conjunction with investment firms, have offered bonds backed by N.H.A. mortgages and some intend

to offer participation certificates. A wider market and demand for mortgages will increase the liquidity of mortgages or securities backed by mortgages.

4. No firm decision has yet been reached regarding further sales by the Corporation.

C.M.H.C.—RESEARCH TO DEVELOP NEW SYSTEMS

Question No. 1,013—**Mr. McCleave:**

What research, if any, has been undertaken by Central Mortgage and Housing Corporation to develop on their own new systems for building of homes?

Hon. Paul Hellyer (Minister of Transport): Central Mortgage and Housing Corporation has not specifically undertaken research to develop its own new systems for building of homes. However, funds are available under Part V of the National Housing Act for a wide range of matters relating to housing research and community planning.

New designs for better and lower cost housing are being developed continuously through cooperation with the Royal Architectural Institute of Canada by holding competitions and inviting the architectural profession in Canada to submit house designs. The plans for such designs are sold to the Canadian public at nominal cost.

Central Mortgage and Housing Corporation also encourages and provides financing for the development of new products and construction techniques, such as prefabrication and improved assembly techniques in cooperation with the National House Builders' Association, the Division of Building Research of the National Research Council and industry. In addition, C.M.H.C. maintains, through participation in international organizations and through other means, a system of information on the progress realized in these areas in other countries.

C.M.H.C. supports the development of individual household aerobic sewage disposal systems and the treatment of total wastes including human, household and all solid wastes at source within a large building complex. The objective is to eliminate the need for sewer and water lines and garbage removal from houses and large building complexes to reduce servicing and land costs.

C.M.H.C. provides funds annually to the Division of Building Research of the National Research Council for the testing and advice on new construction methods and products.

[Mr. Hellyer.]

C.M.H.C. PENSION FUND INVESTED IN HOUSING

Question No. 1,014—**Mr. McCleave:**

What percentage of the pension fund of Central Mortgage and Housing Corporation is invested in housing?

Hon. Paul Hellyer (Minister of Transport): 41.3 per cent.

CANADIAN ARMED FORCES—USE OF UNIFORM

Question No. 1,015—**Mr. Rose:**

1. Was there an order issued to the officers and men of the Canadian Armed Forces employed in Ottawa offices not to appear in uniform during working hours except during certain scheduled days of the week?

2. If so (a) when was the order issued and by whom (b) what was the reason for such a decision?

3. If not, under what conditions are service men and officers permitted to wear civilian garb while on duty?

4. What is the number of senior officers stationed in Ottawa from Colonel up by rank?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. No. 2. Not applicable. 3. Q.R. & O. Article 17.04 (1) (a) requires that, unless otherwise directed by the Chief of Defence Staff, officers and men on duty shall wear uniform. Within this regulation, permissive instructions are in effect for the various Branches at Canadian Forces Headquarters, allowing officers and chief warrant officers to wear civilian clothes on duty except when first reporting for duty at Headquarters, and on days when the Branch to which they are attached wear uniform. All other personnel are required to wear uniform every day except Friday, when civilian clothes may be worn. During the Christmas/New Year holiday season, all personnel may wear civilian clothes instead of uniform on duty at Canadian Forces Headquarters.

4. As of 13 December, 1968: General, 1; Lieutenant-General, 4; Major-General, 11; Brigadier-General, 36; Colonel, 119; Acting Colonel, 2.

ATLANTIC DEVELOPMENT BOARD—PROMOTION OF ECONOMIC GROWTH

Question No. 1,017—**Mr. Stanfield:**

1. Has the Atlantic Development Board complied with Section 9 (1) (a) of the Atlantic Development Board Act requiring the Board to "prepare, in consultation with the Economic Council of Canada, an overall co-ordinated plan for the promotion of the economic growth of the Atlantic region"?

2. If this plan has not yet been prepared, when will it be completed?

3. If it is intended to present this plan by way of a series of intermediate plans, what undertakings, if any, have been given by members of the government and/or of the Atlantic Development Board concerning the timetable for (a) the initial report (b) succeeding reports?

4. What is the present timetable for presentation of this report or reports?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. The Atlantic Development Board has been and is (a) examining the economic sectors to identify growth potentials and ways of achieving them; (b) developing an analytic framework within which the impact of specific sector policies on output, income and employment in the regional economy can be evaluated.

2. The development of a plan, from the above and other material, depends on further work, and especially on close consultation with the provinces. Accordingly a completion time cannot be laid down.

3. No undertakings have been given.

4. Publication of background sector reports is expected to begin early in 1969.

AIR TRAFFIC CONTROLLERS

Question No. 1,018—**Mr. Skoreyko:**

1. How many persons are currently employed as Air Traffic Controllers in Canada and (a) at Montreal International Airport (b) at Toronto International Airport (c) at Vancouver International Airport?

2. How many persons were employed as Air Traffic Controllers in the years 1964, 1965, 1966 and 1967 in Canada and (a) at Montreal International Airport (b) at Toronto International Airport (c) at Vancouver International Airport?

3. How many persons are currently under training in Canada as Air Traffic Controllers?

4. Of the Air Traffic Controllers currently employed at Montreal, Toronto and Vancouver International Airports, how many, by airport, are classified as "trainees"?

Hon. Paul Hellyer (Minister of Transport): 1. 906; (a) 84; (b) 94; (c) 61.

2. 1964, 680; 1965, 794; 1966, 782; 1967, 862; (a) 1964, 78; 1965, 80; 1966, 83; 1967, 93; (b) 1964, 85; 1965, 89; 1966, 94; 1967, 96; (c) 1964, 57; 1965, 57; 1966, 61; 1967, 58.

3. 115.

4. Montreal International Airport, 14; Toronto International Airport, 5; Vancouver International Airport, 7.

SUBSIDY TO NORTHLAND NAVIGATION COMPANY

Question No. 1,019—**Mr. Durante:**

Does the Northland Navigation Company receive a federal government subsidy for providing shipping services to communities on the West Coast of Vancouver Island and, if so (a) what is the amount of the subsidy (b) what are the ports of call and the frequency of these calls?

Hon. Paul Hellyer (Minister of Transport): Yes. (a) $130,000.00; (b) Sailings every week between Vancouver and ports on the west coast of Vancouver Island calling at Port Renfrew, Clo-oose, Bamfield, Ucluelet, Tofino, Ahousat, Hot Springs Cove, Mooyah Bay, Gold River, Kendrick Arm, Tahsis, Esperanza, Zeballos and Fair Harbour (Kyoquot).

If traffic warrants calls shall be made at Clayoquot, Kakawis, Espinosa Arm and Chamiss Bay and calls may be made at Ououkinsh Inlet by arrangement.

ST. CAMILLE, QUE.—CONTRIBUTION TO INDUSTRIAL INSTALLATION

Question No. 1,021—**Mr. Lambert (Bellechasse):**

Did the federal government make a financial contribution to a study on an industrial installation at St. Camille, Bellechasse constituency as part of the ARDA program and, if so, what is the total financial contribution to date?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Yes. $1,250.00.

BEAUMONT CAMPING SCHOOL—FEDERAL ASSISTANCE

Question No. 1,023—**Mr. Lambert (Bellechasse):**

Did the federal government make a financial contribution to the establishment of the Beaumont Camping School in Bellechasse Constituency as part of the ARDA program and, if so, what was the total amount paid out for this purpose?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Yes. $168,805.00.

[*English*]

MONTREAL TAX LOTTERY—POST OFFICE REVENUE

Question No. 1,026—**Mr. MacEwan:**

What has been the revenue received, to date, by the Post Office Department from the City of Montreal for distributing throughout Canada the application forms for the City of Montreal tax lottery?

Hon. Eric W. Kierans (Postmaster General): $157,216.02 since June 1968.

Questions

AIRFIELD IN GEORGIAN BAY AREA

Question No. 1,028—**Mr. Noble:**

1. Has the government made any preliminary investigation on a possible location of an airfield between Georgian Bay and Lake Simcoe?

2. Have any options been taken on property in the same area?

Hon. Paul Hellyer (Minister of Transport): 1. A preliminary investigation has been made for a local airport proposed for the Barrie area under the financial assistance programme.

2. The Federal Government has not taken any options on property in this area but it is understood the local municipality has done so in connection with the local airport proposed for the Barrie area.

ST. ZACHARIE, QUE.—ROADS TO SUGAR BUSH OPERATIONS

Question No. 1,033—**Mr. Rodrigue:**

1. Has the construction of an access road been authorized with the assistance of ARDA, to facilitate the operation of sugar bushes at St-Zacharie, constituency of Beauce?

2. When will the work begin?

3. What is the amount authorized for this project?

4. When will the project be completed?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Yes.

2. Work began in October 1968.

3. Estimated federal share—$4,500.00.

4. Spring of 1969.

[*English*]

ARMED FORCES PENSION FUND

Question No. 1,035—**Mr. Durante:**

1. What is the present worth of the Armed Forces pension fund?

2. What was the total amount in the Armed Forces pension fund at the end of each fiscal year since 1950?

3. What is the present monthly contribution to the Armed Forces pension fund by servicemen, by the government?

4. Is it the intention of this government to raise the service pension in the very near future and, if not, will such consideration be given soon?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. As of March 31, 1968—$2,723,268,313.

2. As of March 31, 1951, $66,546,493; 1952, $111,046,070; 1953, $160,235,344; 1954, $217,157,455; 1955, $277,638,893; 1956, $346,373,948; 1957, $426,305,539; 1958, $513,868,559; 1959, $942,314,839; 1960, $1,053,010,906; 1961, $1,155,332,721; 1962, $1,279,329,154; 1963, $1,605,796,692; 1964, $1,821,524,902; 1965, $2,028,122,460; 1966, $2,184,209,822; 1967, $2,577,016,944; 1968, $2,723,268,313.

3. Contributions for the fiscal year ending March 31, 1968 amounted to: Servicemen, $33,047,819; Government, $58,405,031.

Therefore, the monthly average would be: Servicemen, $2,753,985; Government, $4,867,086.

4. The question of increasing the pensions paid to former members of the Canadian Forces continues to receive active consideration.

SUBSIDY TO INDUSTRIAL MILK PRODUCERS

Question No. 1,046—**Mr. Lambert (Bellechasse):**

1. What was the cost to the Canadian Government of the subsidy paid to industrial milk producers from April 1, 1967 to April 1, 1968?

2. What was the amount per province?

Hon. H. A. Olson (Minister of Agriculture): 1. $106,874,970.41.

2. P.E.I., $1,772,913.44; N.S., $623,569.52; N.B., $1,239,104.20; Que., $45,725,390.28; Ont., $37,440,587.78; Man., $4,820,335.29; Sask., $4,407,285.16; Alta., $9,623,852.68; B.C., $1,221,932.06.

RICHMOND, QUE.—POST OFFICE CLOSURES

Question No. 1,052—**Mr. Beaudoin:**

1. Does the Post Office Department intend to close down any post offices in the federal Constituency of Richmond?

2. If so, where is each of these post offices located and what criteria is followed in the closing of such Post Offices?

Hon. Eric W. Kierans (Postmaster General): 1. Yes.

2. (a) Saints-Martyrs, P.Q.; (b) (i) The office serves less than 30 families exclusive of rural route patrons; (ii) Office now served by a rural route; (iii) Revenue is less than $1,000.00.

RICHMOND, QUE.—POST OFFICE CLOSURES

Question No. 1,060—**Mr. Beaudoin:**

1. How many post offices has the Post Office Department closed in the federal Constituency of Richmond during 1962, 1963, 1964, 1965, 1966, 1967 and 1968?

2. On what basis does the Department decide that a post office should be closed?

3. Does the Post Office Department intend to close other post offices in the federal Constituency of Richmond and, if so, which ones?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. 1962, two; 1963, none; 1964, none; 1965, none; 1966, one; 1967, none; Constituency of Richmond-Wolfe.

Note: No Post Offices have been closed in the constituency of Richmond (new).

2. (i) All Post Offices serving less than 30 families exclusive of rural route patrons; (ii) Offices now served by a rural route; (iii) All Post Offices with a yearly revenue of less than $1,000.00.

3. Yes. Saints-Martyrs Post Office will be closed early in the new year.

Other offices which are being studied for possible closing:—Fontainebleau; Ham-Sud; Lefebvre; Marbleton; Notre-Dame-de-Ham; St-Claude; St-Fortunat; Ste-Hélène-de-Chester; Stenson; Upper Melbourne; St-Julien.

DIVORCES GRANTED

Question No. 1,061—**Mr. Beaudoin:**

Since December 19, 1967, how many divorces were granted by courts (a) in Canada (b) in each province?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that the number of divorces for Canada and the provinces is not available for the period requested. 1967 data, the latest year for which this information is available, is given in the following table.

Number of Divorces, Canada and Provinces, 1967

Canada	11,156
Newfoundland	11
Prince Edward Island	18
Nova Scotia	394
New Brunswick	292
Quebec	727
Ontario	4,341
Manitoba	477
Saskatchewan	399
Alberta	1,736
British Columbia	2,734
Yukon	21
Northwest Territories	6

[*English*]

RICHMOND, QUE.—PENSION COMMISSION OFFICES

Question No. 1,070—**Mr. Beaudoin:**

1. How many commissioners are there on the Canadian Pension Commission?

2. Does the Commission have any appeal offices in the federal Constituency of Richmond and, if so (a) in what cities are they located (b) what are their addresses (c) their telephone numbers (d) the names of the officers in charge?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Sixteen.

2. No.

ONTARIO—POLLUTION CONTROL IN LAKES

Question No. 1,078—**Mr. Crouse:**

1. How many lakes in Ontario are to be set aside by the Fisheries Research Board for their study of pollution control?

2. How many access roads will be built by the federal government to these lakes?

3. What is the estimated cost of road construction?

4. What is the estimated cost of this pollution control experiment?

5. How much time will be set aside for this work and how many men will be involved in these experimental studies by the department?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. 42.

2. 1.

3. $38,000.

4. For 1968-69: Laboratory facilities and camp, $140,000; Experiments and salaries, $200,000.

5. Up to 20 years; 7 full-time scientists and 15 technicians.

NOVA SCOTIA—USE OF LOBSTER TRAPS

Question No. 1,081—**Mr. MacEwan:**

Has the Minister of Fisheries reached a decision on the number of lobster traps which will be permitted for use in District 7-B Nova Scotia, during the 1969 lobster season, and, if so, what is the number?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Yes; 400, unchanged from the 1968 season.

JEAN-PAUL MATTE—DEPARTMENTAL EMPLOYMENT

Question No. 1,086—**Mr. Matte:**

1. Is the former Member of Parliament for Champlain, Jean-Paul Matte, employed by the Minister of Indian Affairs and Northern Development?

2. If so, what is his position?
3. What is his monthly or annual salary?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes.

2. Special Assistant to the Minister.

3. $13,000 per year.

TORONTO INTERNATIONAL AIRPORT CONSTRUCTION CONTRACT

Question No. 1,088—**Mr. Gilbert:**

1. Who were the architects for the original planning and construction of the Toronto International Airport?
2. Was the contract assigned under competitive tendering and, if not, for what reason?
3. Were the architectural plans acceptable to the government?
4. What was the capacity of the airport planned by the architects and over what period of time?
5. What were the architects fees for the above project?
6. Is there a redesigning presently being undertaken of the International Airport or any extensions or new airports in the Toronto area?
7. Who are the architects assisting in the redesigning or planning of a new airport and what are their fees?
8. Was the above planning or redesigning contract awarded under competitive tendering and, if not, for what reason?

Hon. Paul Hellyer (Minister of Transport): 1. On the assumption that the question relates to Aeroquay #1, Administrative Building, Power Plant, etc., the architects were John B. Parkin Associates, Toronto.

2. No. It is the policy of the Government to select architects on the basis of their experience and capacity to undertake the work. The contract for construction of Aeroquay #1 was assigned under competitive tendering.

3. Yes.

4. 3.2 million pasengers per annum to 1968.

5. $2,022,041.87.

6. Yes. A new terminal building plus runway extension and associated taxiways.

On the assumption that parts 7 and 8 relate to the new terminal building, the answers are as follows:

7. No architects have been appointed.

8. Tenders have not been called.

L-1011 AIRCRAFT—PURCHASES BY AIR CANADA

Question No. 1,092—**Mr. Skoberg:**

1. Was there any formal or informal agreement between the Government of Canada or Air Canada and the Lockheed Company in the United States regarding the purchase by Air Canada of 10 Lockheed L-1011 Jets and the placement of contracts by the Lockheed Company in Canadian Industry?
2. If so, what were the terms and conditions of this agreement?

[Mr. Matte.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. There was no agreement between the Government of Canada and the Lockheed Aircraft Company regarding the placement of sub-contracts by that company in Canadian industry as a result of the purchase by Air Canada of 10 Lockheed L-1011 aircraft. However, prior to the purchase, discussions and negotiations between the Department of Industry and the Lockheed Aircraft Company regarding the placement of sub-contracts related to the L-1011 Aircraft took place.

2. The discussions referred to in (1) above involved no specific terms and conditions. However, it was arranged that Lockheed Aircraft Company negotiate directly with Canadian subcontractors, such contract negotiations recognizing that each Canadian supplier and Lockheed Aircraft Company would reach a selling price acceptable to both parties, which may include amortization of preproduction costs over a specific number of aircraft.

FUNDY NATIONAL PARK SPRUCE BUDWORM INFESTATION

Question No. 1,094—**Mr. Fairweather:**

1. Has the spruce budworm seriously infested lands owned by Canada at Fundy National Park?
2. If so, is it proposed to control this infestation by spraying and selective cutting of timber?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes. Fundy National Park is included in an area of southern New Brunswick for which a very severe infestation of spruce budworm is forecast for 1969.

2. Control by spraying and selective cutting in limited areas of heavy visitor use is planned.

CANADIAN WHEAT SALES

Question No. 1,095—**Mr. Laprise:**

1. To what countries and in what quantity did Canada sell wheat during 1968?
2. What was the price per bushel?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: 1. Canada's exports of wheat, in the period January to October 1968 (latest published information) are given in the attached table.

2. The computed average price covering total shipments of wheat was $2.02 per bushel.

Canada's Exports of Wheat in the Period January to October 1968
(latest published information)

Country	Quantity (Bushels)
United Kingdom	46,977,942
Ireland	627,089
Malta and Gozo	309,120
Austria	317,482
Belgium-Luxembourg	7,377,041
Finland	923,040
France	360,371
Germany West	8,658,917
Italy	11,297,675
Netherlands	15,788,049
Norway	1,100,288
Switzerland	1,954,337
Albania	1,337,168
Czechoslovakia	3,856,534
Hungary	2,443,570
Poland	6,669,458
USSR-Russia	39,523,527
Iraq	56,953
Jordan	12,860
Saudia Arabia	233,192
Sudan	24,067
Syria	579,039
Turkey	294,727
Ghana	302,581
Nigeria	385,466
Tanzania	186,695
Algeria	1,604,085
Congo-Kinshasa	36,500
Morocco	957,787
Senegal	1,653
Tunisia	461,626
Hong Kong	741,492
India	23,041,063
Malaysia	449,481
Pakistan	909,104
Singapore	109,400
Afghanistan	21,789
China Communist	70,026,817
Japan	41,986,827
Philippines	731,733
Taiwan	902,199
Ecuador	409,733
Venezuela	3,177,048
Barbados	294
Jamaica	647,988
Leeward-Windward Is.	702
Cuba	3,865,019
El Salvador	110,554
Guatemala	3,685
United States	365,353

[*English*]

CANADIAN ICE-BREAKING SHIPS

Question No. 1,107—**Mr. Godin:**

1. How many ice-breaking ships does the Canadian Government own?

2. What are their names and what is the horsepower of each of these ships?

3. In what parts of the country will they be operating during the winter of 1968-69?

Hon. Paul Hellyer (Minister of Transport): 1. The Canadian Government owns: 9 full icebreakers; 1 icebreaking cable repair ship; 9 light icebreaking lighthouse and buoy tenders.

2. The names and the horsepower of these vessels are: John A. MacDonald, 15000 SHP; d'Iberville, 10800 IHP; Labrador, 10000 SHP; N. B. McLean, 6500 IHP, Camsell, 4250 SHP; Montcalm, 4000 IHP; Wolfe, 4000 IHP; Sir Humphrey Gilbert, 4250 SHP; Ernest Lapointe, 2000 IHP; John Cabot, 9000 SHP (icebreaking cable repair ship). Light Icebreaking Lighthouse and Buoy Tenders: J. E. Bernier, 4250 SHP; Sir William Alexander, 4250 SHP; Simon Fraser, 2900 SHP; Tupper, 2900 SHP; Edward Cornwallis, 2800 IHP; Walter E. Foster, 2000 IHP; Thomas Carleton, 2000 SHP; Simcoe, 2000 SHP; Alexander Henry, 3550 SHP.

3. The ice-breakers will be operating in the following parts of the country during the winter of 1968-69: 1. John A. MacDonald. Gulf of St. Lawrence and East Coast of Newfoundland. 2. d'Iberville. Until mid January will operate in Ship Channel and after Ship Channel duty will be directed to support Gulf operations as required. 3. Labrador. Gulf of St. Lawrence, South and East Coats of Newfoundland. 4. Sir William Alexander. Gulf of St. Lawrence, South and East Coasts of Newfoundland. 5. Tupper. Gulf of St. Lawrence. 6. N. B. McLean. Montreal to Quebec. 7. Montcalm. Montreal to Quebec. 8. Wolfe. Montreal to Quebec. 9. Sir Humphrey Gilbert. Newfoundland and Gulf of St. Lawrence. 10. Ernest Lapointe. Montreal to Quebec. 11. John Cabot. Cable repair off Newfoundland and Arctic. 12. J. E. Bernier. Sept Iles to Quebec City. 13. Alexander Henry. Parry Sound. 14. Simon Fraser. Sept Iles to Quebec City. 15. Edward Cornwallis. Nova Scotia. 16. Walter E. Foster. New Brunswick and Nova Scotia. 17. Thomas Carleton. New Brunswick and Nova Scotia. 18. Simcoe. Prescott, Ontario (laid up). 19. Camsell. Victoria, B.C.

Questions

L-1011 AIRCRAFT—CANADIAN PARTS MANUFACTURE

Question No. 1,117—**Mr. Fortin:**

1. In connection with the purchase of 10 L-1011 aircraft from the Lockheed Company, what measures were taken to ensure that a substantial portion of the parts would be manufactured in Canada?

2. What percentage of these aircraft will be manufactured in Canada?

3. How many jobs are expected to be created in Canada as a result of this order?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Over the last 18 months, the Department of Industry has worked closely with both the Douglas Aircraft Company and Lockheed Aircraft Company to ensure that, regardless of the selection of aircraft made by Air Canada, a substantial portion of components of such aircraft would be manufactured in Canada.

2. It is not yet possible to define the percentage of the L-1011 aircraft which will be produced in Canada. However, Lockheed is currently negotiating with Canadian manufacturers for the supply of structural components, electronic equipment and auxiliary power units for the L-10,110 aircraft. In addition, the company is conducting bidding symposiums in Canada in January which will offer further opportunities for Canadian manufacturers to quote on the supply of components and parts.

3. It is estimated that approximately 1,800 jobs in Canada may result from work on the L-1011 program, the build-up of such work reaching its peak in late 1971.

[*English*]

IRDIA—ELIGIBILITY FOR GRANTS

Question No. 1,125—**Mr. Broadbent:**

Under provisions of the Department of Industry's IRDIA Program, are all research and development expenditures, i.e., military or civil-oriented, eligible for grants?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Industrial Research and Development Incentives Act makes no distinction between military and civil-oriented research and development.

[Mr. Hellyer.]

EXPENDITURES UNDER DEFENCE INDUSTRIAL RESEARCH PROGRAM

Question No. 1,130—**Mr. Broadbent:**

1. For each fiscal year, what have been the number of projects and the annual expenditures of the Defence Industrial Research Program of the Defence Research Board since the establishment of the program in 1961?

2. For each fiscal year, what have been the annual expenditures of this program shared by the federal government and Canadian industry?

Hon. Léo Cadieux (Minister of National Defence): Insofar as the Department of National Defence is concerned:

1.

	Number of Projects	Annual Expenditures $
1962-63	26	1,197,814
1963-64	61	2,582,726
1964-65	95	3,839,266
1965-66	107	5,309,239
1966-67	116	4,702,310
1967-68	98	4,499,950

2.

	Annual Expenditures (Government and Industry) $
1962-63	1,873,471
1963-64	4,704,921
1964-65	7,366,436
1965-66	10,417,971
1966-67	9,339,761
1967-68	8,874,394

QUESTIONS PASSED AS ORDERS FOR RETURNS

RENOVATION OF MINISTERIAL OFFICES

Question No. 310—**Mr. Coates:**

1. Which Ministers in the present government have had their offices renovated since June 25th, 1968, in each case were both their offices in the House of Commons or Senate and their departmental offices renovated and what was the cost to the federal treasury for the renovations?

2. Did the Minister of Trade and Commerce move his departmental office to the Skyline Hotel and, if so, why and what is the floor space rented or leased at the Skyline Hotel, for what period of time was it leased and what is the rate of the rental and what will be the annual cost to the federal treasury?

Return tabled.

COAL TRANSPORT SUBSIDIES

Question No. 412—**Mr. Harding:**

For the fiscal years 1964-65, 1965-66, 1966-67, 1967-68, 1968-69 (estimated) (a) what was the total subsidy paid by the federal government for the transport of coal (b) where, by province and company, did the subsidized coal shipments originate and in what quantities (c) to whom and in what amounts were the subsidies paid (d) of the total subsidized coal shipments, how much was (i) exported (ii) used in Canada?

Return tabled.

REPORT ON ADOPTION OF METRIC SYSTEM

Question No. 635—**Mr. Fortin:**

1. Has the interdepartmental committee which was examining the possibility of adopting the metric system in Canada completed its study and, if so (a) when will its report be ready (b) when will it be tabled in the House?

2. What is government policy with respect to the objectives of the Standards Organization?

Return tabled.

OPERATION OF CENTENNIAL CARAVANS

Question No. 648—**Mr. Mongrain:**

1. By province, how many persons were employed during Centennial Year in connection with the operation of the "Centennial Caravans"?

2. What salaries or other remuneration or travelling expenses did each person receive?

3. Was compensation paid for overtime and, if so, (a) to which employees was such compensation paid, and (b) how much was paid to each person?

Return tabled.

RENTAL OF OFFICE SPACE IN OTTAWA AREA

Question No. 736—**Mr. Forrestall:**

1. What is the total amount of office and other floor space, in square feet, owned or leased by the Government of Canada within a 25-mile radius of Parliament Hill?

2. What percentage of this total is (a) owned (b) leased?

3. What percentage of this total is in (a) the Province of Ontario (b) the Province of Quebec?

4. What percentage of this total is within an area bounded on the north by the Ottawa River, on the south by Queensway on the east by the Rideau River and on the west by Bronson Avenue?

Return tabled.

CENTENNIAL MEDALS TO MEMBERS OF MILITIA

Question No. 737—**Mr. Robinson:** (Supplementary)

1. What were the terms of reference in awarding Centennial Medals to members of the Militia?

2. Who made the recommendation and/or decision as to who would receive Centennial Medals in the Militia in each military district and/or region?

3. How many Centennial Medals were awarded to members of the Militia (a) Officers (b) non-Commanding Officers (c) men?

4. What was the allotment of medals to each Militia Unit to (a) Officers (b) non-commanding Officers (c) men?

5. Were any Centennial Medals awarded to Militia men as follows (a) Honourary Colonels of Units and, if so, how many and to whom (c) Honourary Lieutenant Colonels of Units and, if so, how many and to whom (c) Militia Advisors and, if so, how many and to whom (d) Commanding Officers of Units and, if so, how many and to whom (e) Officers Commanding Units, Sub-Units, Pools and, if so, how many and to whom (f) Militia Personnel Officers and, if so, how many and to whom (g) Militia Information Officers and if so, how many and to whom (h) retired (i) Officers (ii) non-Commanding Officers (iii) men and, if so, how many and to whom?

6. What is the rank, name and address of each of the recipients of Centennial Medals in the Militia?

Return tabled.

COST OF CENTENNIAL CARAVANS

Question No. 825—**Mr. Dinsdale:**

1. What was the total cost of the "Centennial Caravans" used for historical display across Canada during Centennial Year and, how many units were involved?

2. What was the total price realized by the sale of these Caravans through Crown Assets Disposal Corporation and to whom were the Caravans sold?

Return tabled.

RETURNS UNDER CORPORATIONS AND LABOUR UNIONS RETURNS ACT

Question No. 932—**Mr. Skoberg:**

1. How many corporations have filed returns for each year since the passage of the Corporations and Labour Unions Returns Act?

2. How many Labour Unions have filed returns for each year since the passage of the Corporations and Labour Unions Returns Act?

3. How many corporations have not filed returns under the Corporations and Labour Unions Returns Act?

4. How many Labour Unions have not filed returns under the Corporations and Labour Unions Returns Act?

5. How many Corporations have been penalized under Section 6 (1) of the Act, for failing to file returns?

6. How many Labour Unions have been penalized under Section 11 (1) of the Act, for failing to file returns?

7. What is the total number of Local Unions for which returns must be filed by their parent organization?

8. What is the total number of Corporations for which returns must be filed?

9. How many corporations have filed returns with the Dominion Statistician each year, since the Act was passed?

10. How many of the returns received by the Dominion Statistician are now ready for publication?

11. How large an administrative staff is directly employed in preparing the corporation returns?

12. Is any other department assisting in preparing data for the corporation returns?

13. How many persons are directly employed in preparing the labour unions returns?

14. Is any other department assisting in preparing the labour unions returns?

15. Are international unions required to provide returns, showing amounts expended on research, educational programs, and publications in Canada in addition to statistics on expenditures for salaries, strikes, and pensions and, if so, what is such requirement?

Return tabled.

BELANGER, OUELLETTE AND ASSOCIATES, MONTREAL

Question No. 1,042—**Mr. Orlikow:**

1. Who are the individuals working for Belanger, Ouellette and Associates Inc., of Montreal, Quebec, who conducted a study for the Department of Manpower and Immigration and what amount was paid to that company for that study?

2. What is the academic background of each of these people?

3. What is the professional experience of each of these people?

4. When will a final decision be made about implementing the recommendations made to the government by the company?

Return tabled.

OPERATIONS RESEARCH INDUSTRIES, OTTAWA

Question No. 1,043—**Mr. Orlikow:**

1. Who are the individuals working for Operations Research Industries of Ottawa, Ontario, who conducted a study for the Department of Manpower and Immigration, and what amount was paid to that company for that study?

2. What is the academic background of each of these people?

3. What is the professional experience of each of these people?

4. When will a final decision be made about implementing the recommendations made to the government by the company?

Return tabled.

[Mr. Skoberg.]

OPERATIONS RESEARCH INCORPORATED, MARYLAND

Question No. 1,045—**Mr. Orlikow:**

1. Who are the individuals working for Operations Research Incorporated of Maryland, U.S.A., who conducted a study for the Department of Manpower and Immigration, and what amount was paid to that company for that study?

2. What is the academic background of each of these people?

3. What is the professional experience of each of these people?

4. When will a final decision be made about implementing the recommendations made to the government by the company.

Return tabled.

STARRED QUESTIONS

[*Translation*]

*OFFICE SPACE RENTAL IN MONTREAL

Question No. 974—**Mr. Valade:**

1. Did the government rent space in the Sherbrooke Building located at 2120 Sherbrooke Street East in Montreal?

2. If so, what is the term, annual cost, effective date and expiration date of the lease?

3. What federal agencies occupy this space?

4. Did the government receive recommendations in favour of this building and, if so, from whom?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): The Department of Public Works advises as follows:
1. Yes.

2. and 3. First lease: 29,643 square feet, at the rate of $121,212.16 per annum, from September 15, 1966, to September 14, 1971. Premises occupied by Department of Transport. Second lease: 20,610 square feet, at the rate of $93,775.50 per annum, from June 1, 1967, to May 31, 1972. Premises occupied by Unemployment Insurance Commission.

4. No.

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Would Your Honour be kind enough to call notices of motions Nos. 51, 61 and 62?

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

[*English*]

SUPREME COURT JUDGMENTS

Motion No. 51—**Mr. Fortin:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a return showing, since the Supreme Court of Canada was instituted (a) the number of judgments rendered by judges whose mother tongue was French and, of those, the number of judgments rendered (i) in French (ii) in English (b) of the judgments rendered in English by judges whose mother tongue is French, the number of judgments respecting Quebec (c) the number of judgments rendered in French by judges whose mother tongue is English.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, with respect to this notice of motion for the production of papers the information requested would be very difficult to provide since in judgments of the Supreme Court a judgment is often written by one or more judges of the court, and the motion would compel assumptions about the mother tongue of certain of the judges since confederation.

I admit quite readily that notices for the production of papers taken together with the question period are one of the fundamental rights of the opposition, but I would submit to Your Honour that such a motion is for the production of information peculiarly within the possession of a minister or within the public service.

The judgments of the Supreme Court are published monthly. They have been published since confederation, and are public documents. The information is readily available to the hon. member. What he is asking the government to do is not to provide him with information but to do some statistical research. I would suggest that since this statistical information is not in the possession of the department and further, since it is not ordinarily required for departmental purposes it would entail, with greatest respect, laborious effort. Since, as I have said, the judgments of the court are public documents, a statistical analysis can be made of them by anyone who wishes to take the time to do so. Therefore, I would submit to your Honour that this is not a proper motion for the production of information but is rather a request for statistical research. In the circumstances I would ask the hon. member whether he would be prepared to withdraw it.

[*Translation*]

Mr. Fortin: Mr. Speaker, after hearing the remarks of the honourable minister of Justice concerning motion 51 by which I was trying to find out to what extent the Supreme Court of Canada, a federal body, is truly bilingual or whether it is an Anglo-Saxon reserve, I must say that the minister's answer shows beyond all doubts, since he has not been able to provide me with the requested information, that it is definitely an Anglo-Saxon reserve. Now, the request for information is aimed—

Mr. Speaker: Order, order.

Mr. Fortin: —precisely—

Mr. Speaker: Order, order.

Mr. Fortin: —at bringing—

Mr. Speaker: Order. Is it the wish of the hon. member to withdraw the motion?

Mr. Fortin: On a point of order, Mr. Speaker. I believe the matter to be extremely important.

Mr. Speaker: Is it the wish of the hon. member that the motion be transferred for debate, pursuant to standing order 48?

Mr. Fortin: Yes, Mr. Speaker.

[*English*]

NORTHUMBERLAND STRAIT CROSSING—
CONSTRUCTION CORRESPONDENCE

Motion No. 61—**Mr. MacDonald (Egmont):**

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 and any other persons, organizations, or governments, with respect to the construction of the Northumberland Strait Crossing project since September 1, 1967.

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, this motion is acceptable subject only to the usual reservations in respect of items that are privileged and, in the case of the provinces, concerning their approval.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, is it the pleasure of the house that notice of motion No. 61 be deemed to be adopted?

Motion agreed to.

NORTHUMBERLAND STRAIT CROSSING—
ENGINEERING FEASIBILITY

Motion No. 62—**Mr. MacDonald (Egmont):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all surveys, reports

and enquiries respecting costs and benefits and engineering feasibility of the Northumberland Strait Crossing project received by the Government of Canada since September 1, 1967.

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, this motion relates to documents that are in almost every case privileged. Those that are not privileged and encompassed by it will be tabled under the previous motion No. 61. I would therefore ask the hon. member for Egmont whether he would agree to withdrawal of the motion.

Mr. David MacDonald (Egmont): Mr. Speaker, I am agreeable to withdrawing it provided the minister can assure me that this pertains to documents not only available to the government of Canada but also to the government of Prince Edward Island, and that the Stanford research document on cost benefit would be among those the minister would make available.

Mr. Laing (Vancouver South): May I ask the hon. member if I might reserve my decision on that until I have a look at it.

Mr. Speaker: Is it agreed that motion No. 62 stand?

Some hon. Members: Agreed.

Motion stands.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, while we are on this order I should like to ask the house leader if he could facilitate the production of papers in respect of my motion No. 17, permission for which was given on October 30. I cannot again ask the Minister of Transport (Mr. Hellyer) because I believe his part has been completed, but there are other departments involved. Would the house leader be good enough to inquire into this.

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. Those documents were tabled today.

ORAL QUESTION PERIOD

CANADIAN BROADCASTING CORPORATION

KICKBACKS IN PURCHASE OF U.S. FILMS—REQUEST FOR APPEARANCE OF MISS LAMARSH BEFORE STANDING COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State. It

[Mr. MacDonald (Egmont).]

arises from the statements of the Hon. Judy LaMarsh concerning a so-called kickback system in the purchase of United States films by the C.B.C. I think it is important that these matters be investigated. Is the minister investigating this matter and, if so, will he report to the house on the matter? In the meantime will he undertake to table in parliament the full report of the committee of the president of the C.B.C. which was referred to by Miss LaMarsh and which I understand was refused to the Commons committee on broadcasting on an earlier occasion.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have not read Miss LaMarsh's book but I have read a few excerpts from it in the newspapers. I had to do some important reading during the parliamentary recess and I did not get a chance to glance through that book. Therefore, I do not know exactly to which report the Leader of the Opposition (Mr. Stanfield) is referring.

As for the other complaints he alluded to, I am sure that should the C.B.C. receive any complaints, it would immediately take measures to correct the situation.

Up to now, neither the C.B.C. management nor myself, as a minister, have received any complaints and I would be happy to get, from Miss LaMarsh or any one else, any definite information likely to solve the problem.

[*English*]

Mr. Stanfield: Mr. Speaker, I wonder whether the Secretary of State will answer the questions I asked him. Although I recognize I have no right to insist on this, will he deal with the charges made in public by Miss LaMarsh concerning the so-called kickback system? I wonder whether he will investigate this matter and report to the house and, secondly, will he undertake to table in parliament a full report of the president's committee to which I previously referred and to which reference was made by Miss LaMarsh? Previously this report was refused the commons committee on broadcasting.

Mr. Speaker: Order, please. It seems to me the Leader of the Opposition has merely restated or repeated the question he asked in the first instance. If the minister wishes to reply a second time there is no objection.

[*Translation*]

Mr. Pelletier: I wish to reiterate, Mr. Speaker, in all good faith, believe me, that I

just do not know which report the Leader of the Opposition is referring to which report apparently is mentioned in Miss LaMarsh's book.

I am not acquainted with the accusation made by Miss LaMarsh, but I will lose no time in looking it up, as the Leader of the Opposition seems to attach some importance to it.

As for a close study of the accusations made, assuming that they would prove specific enough for such a study, I have already answered the Leader of the Opposition—I think that he has not understood me—that both the C.B.C. and myself, as minister, are to examine this matter. We cannot, however, inquire into the matter on some vague statements or from hearsay.

[*English*]

Mr. Stanfield: Also arising out of the statement by Miss LaMarsh in which she attributed to Mr. Alphonse Ouimet the allegation that Radio Canada was under the control of separatists and her further statement that she had further information to support this charge, is it the intention of the Secretary of State to determine the accuracy of this statement and will he undertake to make a report to the house?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I could quote a statement which was made in this house by Miss Lamarsh and which I heard with my own ears, in reply to a question put to her when she was Secretary of State.

She said that C.B.C. employees were not subject to any investigation as to their political opinions, unless underhanded or illegal dealings were involved and that it only mattered to know whether or not C.B.C. employees with political convictions let them show in the discharge of their duties.

This problem is still with us and will be forever, and the C.B.C. considers it greatly important. This area is kept under close scrutiny, and that policy will certainly be pursued.

With respect to the allegation whereby the C.B.C. as a whole, or any C.B.C. network for that matter, has been completely under the control of some people with a certain political ideology, I do not think there are grounds for such an accusation, and I believe it would be quite hard to prove it.

[*English*]

Mr. Stanfield: I have one further supplementary question, Mr. Speaker. Has the Secretary of State conducted an investigation and is he in a position to assure the house that the last statement he just made is the result of such an investigation, or is it on the other hand a personal opinion he holds?

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, referring to the answer that the Secretary of State has just given to the Leader of the Opposition (Mr. Stanfield), may I ask him whether we can expect the same attitude regarding the allocation of time by the C.B.C. to political, non-political and other groups, since, according to what the minister has just stated, it would seem that it is entirely untrue?

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to put a question to the Secretary of State.

In view of the important post held by his predecessor, does he not consider the matter serious enough to refer it to the standing committee on broadcasting, films and assistance to the arts?

Mr. Pelletier: Mr. Speaker, in the first place I must make something clear about the nature of my answers this afternoon. I was away from Canada on an official mission when Miss LaMarsh's book was published and I arrived barely an hour ago.

I must base my answers on press reports which can betray what Miss LaMarsh had in mind, the truth or both, so that at the present time I am not in a position to give detailed answers, since I have not examined the document which those gentlemen have apparently perused at leisure.

[*English*]

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. In order that this matter may be ventilated fully and properly, I ask the minister whether he will not consider discussing with the chairman of the committee on broadcasting, films and assistance to the arts the convening of the committee so that Miss LaMarsh might be called before it and have an opportunity to say publicly what she has said in her book.

Some hon. Members: Hear, hear.

Mr. Pelletier: I think, Mr. Speaker, that the house committees could take it upon themselves—and they have proved so far that they

are able to do so—important and necessary initiatives in matters entrusted to them by the house.

Mr. Bell: There's something rotten somewhere.

FINANCE

REQUEST THAT INTEREST RATES BE STUDIED BY STANDING COMMITTEE

Mr. David Lewis (York South): Mr. Speaker, if I might turn from publicity for Miss LaMarsh's book to another subject, I ask the Minister of Finance a question consequent upon some questions I asked him yesterday, and an announcement made simultaneously after that by three of the largest banks, that they were increasing interest rates still further. Will the minister now reconsider his answer to me yesterday and agree to study the possibility of reinstituting some kind of control over the galloping interest rates which now seem to have no ceiling at all?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the matter of interest rates is always under consideration by the minister.

Some hon. Members: Oh, oh.

Mr. Lewis: A supplementary question to the Minister of Finance, Mr. Speaker. Can he answer simply whether he would agree to refer the question of galloping interest rates to the standing committee on finance, trade and economic affairs? I asked him that question yesterday and he said no. I ask it of him again today because of the additional increase made simultaneously by the banks.

Mr. Benson: Mr. Speaker, I think the question as put today is not the same as that asked yesterday. I can assure the hon. member that I will seriously consider any representations made by him.

Mr. Lewis: Mr. Speaker, a further supplementary question to the Minister of Consumer and Corporate Affairs. In view of the recognition which he granted in his white paper on price stability of the fact that interest is a factor, an ingredient in the upward pressure on prices, would the minister consider what steps his department might take in getting the banks and near banks to stop pushing interest rates up, in view of the large profits they are now making? Also, would he consider immediately establishing the joint committee on consumer affairs and referring this question to that committee?

[Mr. Pelletier.]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am endeavouring to establish the prices and incomes commission as quickly as I can. If the hon. member's question indicates that he supports the establishment of that commission, I welcome that support.

Mr. Lewis: Oh, come on.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether he is concerned about the possible effect of the marked rise in interest rates upon the willingness of Canadians to hold investments in Canada savings bonds, and whether he fears any tendency toward liquidation in this regard. If so, has the minister any plan in mind to offset these possible effects?

Mr. Benson: Mr. Speaker, of course I am concerned about this particular matter in that, as my hon. friend knows, in late 1968 there was a good deal of redemption of Canada savings bonds.

I should like to assure him that to date, and since the recent compaign, the encashment of Canada savings bonds has not been any greater than is normal in the circumstances.

Hon. D. S. Harkness (Calgary Centre): I have a supplementary question, Mr. Speaker. In order to assist in bringing down interest rates and in fact to make a major move in that direction, will the government now seriously consider dropping their medicare scheme?

Mr. Benson: No, Mr. Speaker.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. In view of what the minister said today and on other occasions with reference to interest rates, and as the banks have shown the highest profits in years, would he now reconsider setting a ceiling or at least referring the subject matter to the appropriate committee?

Mr. Benson: Mr. Speaker, the previous parliament to this one decided to take off the interest ceiling which was imposed under the Bank Act. The government has not at present considered any reimposition of a ceiling.

[*Translation*]

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

Is the $850,000 loan made to Brazil last week bearing interest at 9⅜ per cent or at what other rate?

[*English*]

GRAIN

ARRANGEMENTS AT LAKEHEAD TO CONTINUE DRYING OPERATIONS

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Labour but in his absence perhaps it could be considered by the Minister of Agriculture. Would the minister give consideration to opening negotiations with the unions and management at the lakehead in order to make feasible the continuous drying of damp and tough grain at the terminals?

Hon. H. A. Olson (Minister of Agriculture): I will take notice of the question and refer it to the Minister of Labour, although I think some progress has been made in this respect already.

SPORTS

EXERCISE OF DRAFT BY NATIONAL HOCKEY LEAGUE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare relating to the National Hockey League universal draft. I want to ask the minister whether in fact he has had discussions on this matter, which represents the rankest sort of cartel in sports, whether he has met Mr. Campbell, and whether he intends to act to put an end to athletic peonage in this country?

Mr. Speaker: Order, please. The question asked by the hon. member is perhaps more in the form of a statement than a question, and should normally be placed on the order paper. If there is urgency, of which I am not aware, the matter could be debated at the time of adjournment.

Mr. Paproski: Mr. Speaker, I think this is a very urgent problem. If I may add a few words, sir, many of our young athletes in Canada are being called to—

Mr. Speaker: Order, please. The hon. member is now arguing his case. This is what should be done at this time of adjournment, if the hon. member wishes to do so.

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

SHIPBUILDING

FISHING VESSEL CONSTRUCTION ASSISTANCE PROGRAM

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the present high unemployment rate in the Atlantic provinces shipbuilding yards, and the desire of some fishermen to build larger longliners, will the minister indicate whether it is the government's intention to reactivate the fishing vessels assistance program, and if so on what date?

Hon. Jack Davis (Minister of Fisheries): The program is under active consideration, Mr. Speaker. Further information will be supplied in the blue book containing the estimates of this department and of the Department of Industry, Trade and Commerce.

CANADIAN FILM DEVELOPMENT CORPORATION

ALLEGED FAILURE TO ASSIST FEATURE PRODUCTION INDUSTRY

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Secretary of State and it arises from statements of the Montreal chapter of the Canadian Society of Cinematographers to the effect that the Canadian Film Development Corporation has done nothing since its establishment to assist the Canadian feature film industry. Will the minister undertake to make a full statement on motions outlining the government's intention in regard to this matter?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have read the brief referred to by the hon. member. However, that brief was not addressed to the minister but to the committee on broadcasting, films and assistance to the arts, which will have to deal with it and if it deems it advisable, will have to hear the representatives of the Montreal branch of the film-makers.

As for the accusation made in this brief against the Film Development Corporation, the least one can say is that it is exaggerated, since that corporation has already taken action to promote the production of films.

Should the house be interested to hear more about this, the minister could at some time make a statement on the matter.

[*English*]

Mr. Dinsdale: I have a supplementary question, Mr. Speaker. In view of the brief that has been referred to by the minister, has he asked for a report on these matters from the president of the corporation, Mr. Lapalme?

Inquiries of the Ministry

[*Translation*]

Mr. Pelletier: Mr. Speaker, I came across that brief only this morning on the plane. So I have not yet had an opportunity to get in touch with anybody in that respect. However, it is understood that the Canadian Film Development Corporation keeps the Secretary of State posted on its activities whenever they make important decisions.

[*English*]

SPORTS

REFUSAL OF RUSSIAN TEAM TO PLAY CANADIAN SERIES

Mr. P. M. Mahoney (Calgary South): I have a question for the Minister of National Health and Welfare. In view of widespread concern over our recent record in international athletic competition, most particularly in hockey, would the minister inform the house of the government's attitude to the refusal of Russia's national hockey team to fulfil its obligation to play an eight game series in Canada this winter with our own national team?

Mr. Speaker: Order, please. The hon. member is asking a question which is perhaps related in some way to the question asked previously by the hon. member for Edmonton Centre. Perhaps he might want to come back with the hon. member for Edmonton Centre for hockey night in the House of Commons.

CANADIAN FILM DEVELOPMENT CORPORATION

FUNDS AVAILABLE FOR PRODUCTION PROGRAM

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the Secretary of State. In view of the importance which the former secretary of state gave to the establishment of a film corporation when the legislation was drafted, could the minister make a statement in the near future outlining what specific films it plans and how much money the new corporation has in fact on which to begin production?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I repeat the reply I made previously. I will be very pleased to ask for a full report from the Canadian Film Development Corporation and to make a statement since the house has shown interest in the matter.

[Mr. Dinsdale.]

[*English*]

TRANSPORT

RESUMPTION OF MARITIMES SITTINGS

Mr. Louis-Roland Comeau (South West Nova): Mr. Speaker, I have a question for the Minister of Transport. Will the transport committee resume its sittings in the maritimes, and if so when?

Hon. Paul Hellyer (Minister of Transport): This is a question which should be directed to the chairman of the committee, but certainly if I may speak as a member of the house I would hope that it would visit the maritimes as soon as possible.

HEALTH AND WELFARE

REQUEST FOR ASSISTANCE FOLLOWING ACTION RESPECTING HOSPITAL CONSTRUCTION GRANT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In light of the postponement of expansion of ten of thirteen medical teaching centres in Ontario as a direct result of the withdrawal of federal support for hospital construction and similar projects in the rest of Canada, will the minister undertake to make a full policy statement outlining the government's proposals in regard to assisting medical complexes?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if the hon. member is referring to the policy of the government with respect to the health resources fund, this was not a withdrawal but rather a spreading out over a further number of years. Under the legislation 15 years was provided. If all the provinces came in the fund would have been used up in five years, so we prefer to have it phased out over a longer period.

Mr. Speaker: Order, please. These matters should not be debated now. My understanding of the question is that it asks whether a statement will be made on motions.

AIRPORTS

CAMP BORDEN—USE OF CROWN LANDS FOR SITE

Mr. P. V. Noble (Grey-Simcoe): I should like to put a question to the Minister of Transport. Has the government considered using the 30 square miles of crown lands at Camp Borden as a site for the proposed new international airport?

Mr. Speaker: Order, please. I think this question should be placed on the order paper or, if urgent, debated at the time of adjournment.

HARBOURS

CORNER BROOK, NFLD.—PLANS FOR DEVELOPMENT

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Humber-St. George's-St. Barbe was gracious enough to give me 24 hours to find out something about the harbour development at Corner Brook. I can advise him that the report on phase one has been presented and accepted. It is our hope that we shall be in a position to call tenders by the spring and it is our intention, in the main estimates for 1969-70, to ask for a sum in excess of one million dollars.

EXTERNAL AID

POSSIBILITY OF EXTENDING ASSISTANCE PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): My question is for the Acting Prime Minister. I suspect that if Your Honour were on the floor it is the sort of question you would probably be asking this week. Indeed, it might be asked by any of us who were with you in India last week.

May I ask the Acting Prime Minister whether the government's review of Canada's foreign policy includes a study of the possibility of increasing our activities under our external aid program?

Hon. Paul Hellyer (Minister of Transport): Yes, sir, I think I can answer that question in the affirmative. The study includes all relevant questions of foreign policy, and most certainly includes a review of both the amount and effectiveness of our external aid policies.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask whether the Acting Prime Minister would request the Prime Minister or the Secretary of State for External Affairs to make a full statement on this subject, when they are back with us next week?

Mr. Hellyer: I will bring it to their attention, though it might be better to wait until this particular question has been decided by the government in the context of the review.

FINANCE

REQUEST FOR POLICY STATEMENT ON TAXATION COMMISSION REPORT

Mr. Robert Simpson (Churchill): Mr. Speaker, on December 19 I directed a question to the Minister of Finance, and in his absence the question was taken as notice by the parliamentary secretary. It referred to the implementation of certain aspects of the Carter Commission report. Is the minister now in a position to tell us when the government will be announcing its policy in this connection?

Hon. E. J. Benson (Minister of Finance): I have indicated that it is our intention to bring in a bill dealing with this subject this spring—it will be late spring, because as all hon. members will realize, legislation in this complex field requires a great deal of careful study before presentation to the house.

GRAIN

USE OF COMMERCIAL DRYERS AT ELEVATOR POINTS

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Agriculture. Several months ago I raised the question of allowing commercial dryers to dry grain at country elevator points, an innovation which would require the authority of the Board of Grain Commissioners. Is the minister now in a position to give us an assurance that this can be arranged even at this late date, bearing in mind that there are still some points from which farmers cannot make deliveries at all?

Hon. H. A. Olson (Minister of Agriculture): I do not recall the exact context in which the hon. member put his question, but I did indicate yesterday that I intended to get an up to date report on this situation and place it before the house very soon.

HOUSING

REQUEST FOR TASK FORCE REPORT

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to address a question to the Minister of Transport in his capacity as minister in charge of housing. Has the task force completed its report on housing and, if so, when does the hon. gentleman expect to present it to parliament?

Hon. Paul Hellyer (Minister of Transport): I still hope it will be ready later this month, as I indicated some weeks ago. So far, we are right on time and if all goes well the report

should be ready for presentation to parliament and the Canadian people about the end of the month.

FISHERIES

LOBSTER FISHING REGULATIONS IN DISTRICT 7B

Mr. Melvin McQuaid (Cardigan): I should like to put a question to the Minister of Fisheries and ask him when we may expect an announcement with respect to the lobster fishing regulations in district 7B. The season is rapidly approaching.

Hon. Jack Davis (Minister of Fisheries): I expect an announcement will be made in the maritimes early next week.

HARBOURS

REQUEST FOR STATEMENT OF POLICY RESPECTING CROSSINGS

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is directed to the hon. member for Trinity in his dual capacity as Acting Prime Minister and Minister of Transport. Could he advise the house, in the light of the decision to make grants in aid of a harbour crossing in Vancouver and the recent rejection of a similar request from Halifax, why there has apparently been a change in government policy?

Mr. Speaker: I suggest to the hon. member that the question as asked is argumentative.

Mr. Forrestall: May I rephrase it, then, and ask the Acting Prime Minister whether he can enlighten the house as to the government's present policy in connection with financial aid to crossings of national harbours?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. It is as set out in my letter to Premier Smith. I understand this letter was made public. The premier sent me a telegram asking if I would be agreeable to that course.

ESTATE TAX ACT

REQUEST FOR INFORMATION AS TO CHANGES

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Minister of Finance arising out of the question period yesterday in the course of which the minister indicated—bringing some comfort to a lot of us, I think—that small changes are always made to taxation bills. I was wondering whether the minister could advise us now whether, in fact, the small changes to which he referred had some reference to the estate tax bill.

Hon. E. J. Benson (Minister of Finance): Everything with respect to particular changes in a taxation statute cannot be included in the resolution as such, because other clauses in the act may have to be changed as well. Recently I gave an indication of some of the consequential changes which will be made in various parts of the Estate Tax Act—and I shall be pleased to send the hon. member a copy of the press release which was issued during the Christmas holiday.

Mr. Eldon M. Woolliams (Calgary North): In the light of the minister's statement today and his earlier reference to the division of taxation revenue between the federal and provincial governments, I should like to ask whether this new tax bill will affect the ratio as between the federal government and the Province of Alberta bearing in mind the fact that the provincial government has abolished the estate tax in that province.

Mr. Speaker: I wonder whether this is not the type of question which might not better be asked when the legislation is being considered?

Mr. Woolliams: With all respect to your Honour, people across this nation are wondering about the effect of this tax; it is unknown, and I believe the minister could give us a quick answer, yes or no.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance whether he can give us any indication of the date upon which this legislation will be presented to the house.

Mr. Benson: I indicated yesterday to the hon. gentleman that it would be within a matter of days—some time next week, I would presume.

AGRICULTURE

SALES TAX ON SNOW REMOVAL EQUIPMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I will direct my question to the Minister of Agriculture. Will the minister investigate the circumstances in which it is reported to me that Saskatchewan farmers are being charged 11 per cent sales tax on farm equipment being used for snow removal from municipal roads?

Mr. Speaker: The hon. member is making a representation to the minister. I doubt whether his representation qualifies as a question.

NATIONAL DEFENCE

REQUEST FOR REPORT ON FOREIGN POLICY AND DEFENCE

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the very pertinent questions put to our own Prime Minister at the conference in London on the international and defence policies of Canada, may we be advised when it is anticipated that the task force on the government side will complete its review and report to the House of Commons concerning those policies?

Hon. Paul Hellyer (Acting Prime Minister): I am not in a position to give the hon. gentleman the exact date upon which reports may be made. I would be glad, however, to bring the question to the attention of the Prime Minister and the Secretary of State for External Affairs, in case there is any further information which they are in a position to give.

FREIGHT RATES

MARITIMES—PROCEDURE FOLLOWING FREEZE

Mr. Thomas M. Bell (Saint John-Lancaster): A question for the Minister of Transport. Has the minister any information as to the manner in which the freeze on maritime freight rates, which will lapse in a few short weeks, will be dealt with this session?

Hon. Paul Hellyer (Minister of Transport): I hope to be in a position within the next few weeks to present to the house and to the country the government's position with respect to policy in connection with transportation in the Atlantic provinces. In the meantime I still hope to hear from the premiers of the Atlantic provinces with respect to suggestions they might have to make. I still feel, as I felt last year, that suggestions which come from areas directly affected are worthy of serious consideration, because the people there are in a position to know better than anyone else exactly what the problems are. Nevertheless I hope that within a few weeks I will be able to make the position of the government known, and that when I do the program will have the support of my hon. friend.

Mr. Bell: A supplementary question. May I thank the minister for his very informative answer; things look good for the new year so far as his ministry is concerned. May I take it from what he says that he has given an assurance that either the freeze will be extended or that there will be new legislation? In other words, we are not going to be without some assistance in this regard, and the freeze will not be lifted before action is taken?

Mr. Hellyer: Mr. Speaker, I would not want my hon. friend to take from what I said that the present freeze will or will not be continued. What I said was that the program will soon be introduced and I hope will meet with his general satisfaction.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I put one further supplementary.

Some hon. Members: Oh, oh.

Mr. Forrestall: This is really not a laughing matter. Would the minister assure the house that his program will be in before March 1 or that some action with regard to the freeze will take place prior thereto?

Mr. Hellyer: Mr. Speaker, I think I can give the assurance that it will be in in March.

INDUSTRY

NEGOTIATIONS RESPECTING DEVCO RETIREMENT PLAN

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Forestry and Rural Development. May I ask the minister whether negotiations have been carried on with the railway unions affected with respect to the Devco early retirement plan?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Yes, Mr. Speaker, negotiations are still going on. I think the union representatives are attending a meeting this week or next week.

HEALTH AND WELFARE

CARD SYSTEM FOR DRUG DISTRIBUTION TO INDIANS

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In light of the minister's undertaking of November 19 to replace with a card system the list system of identifying Indian people who are entitled to free drugs, will the minister tell the house when the list system is going to be replaced?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I indicated at the time it is not a question of replacing a card system with a list system but the other way round. We are getting under

way with this gradually over the next few months, and my latest information is that it is proceeding well.

Mr. Simpson: A supplementary question. Will the minister assure the house—we asked for this assurance previously—that when this system has been replaced these lists will be returned to the Indian bands and not retained by the drug stores who have possession of them?

Mr. Munro: Mr. Speaker, I will take that matter under consideration; I can see the merit in it.

RURAL DEVELOPMENT

NOVA SCOTIA—ARDA REPORT RESPECTING NORTHERN COUNTIES

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I have a question for the Minister of Agriculture. Following the minister's recent appearance on a speaking engagement before the Nova Scotia Federation of Agriculture, at which time he was requested to ask the minister of rural development about the ARDA report concerning the nine northern counties of Nova Scotia, has the minister had any luck in having the minister of rural development present the report and make it public? It is a very important report which is required by the Federation of Agriculture.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Minister of Forestry and Rural Development will, of course, answer for himself in this house. All I agreed to do was to advise his office that a request for the report had been made, and this has been done.

Mr. MacEwan: A supplementary question. I should like to ask the minister of rural development to make this very important report public.

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I will take this question under consideration and answer later on.

SHIPPING

APPLICATION OF WHARFAGE RATES TO ATLANTIC FISHERY

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, yesterday I promised to reply today to a question asked by the hon. member for South Shore.

The answer is that the increase in wharfage rates announced on January 2 this year will come into effect on April 1, 1969 and will apply to government wharves under the administration of the Department of Transport. The new rates will therefore apply to fishermen using these wharves. However, berthing rates have not been increased for vessels under 100 feet in length; therefore, fishermen using vessels below 100 feet in length will not have to pay the increased wharfage rates.

DRUGS

POSSIBLE RESTRICTION IN SALE OF PRESCRIPTIONS IN COMBINATION

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the minister of health and welfare. Has his attention been drawn to a decision by the food and drug administration of the United States to halt the sale of six prescription drugs which combine the use of antibiotics and other drugs in fixed ratios? If so, does the minister intend to take similar action and prohibit the sale of these drugs? I can give the minister the names if he does not have them.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I believe that this matter is presently under investigation by the food and drug directorate and I shall be happy to reply to the hon. member in further detail later.

REGIONAL DEVELOPMENT

REASSESSMENT OF DESIGNATED AREA BOUNDARIES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary and is addressed to the Minister of Forestry and Rural Development. Prior to the Christmas recess the minister stated that the regional development program was being reassessed. I refer in particular to the boundaries of designated areas. I wonder whether the minister will make a statement to the house today as to when this reassessment will be completed and we can expect a report on the matter.

Hon. Jean Marchand (Minister of Forestry and Rural Development): Not before the new law comes before the house, Mr. Speaker.

HARBOURS

ROBERTS BANK, B.C.—DIVISION OF CONTROL BETWEEN GOVERNMENTS

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Transport. Would the Minister

of Transport make a statement on motions—I hope in the near future—about what has been finally decided as to the relationship between the federal government and the government of British Columbia in regard to the ownership and control regulation in connection with Roberts Bank, particularly in view of the recent act of the government of British Columbia of outlining the railroad and expropriating an additional 2,200 acres on either side of it.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am not in a position to do this immediately. As my hon. friend is aware I have suggested—and I hope this will be followed through almost at once—that the report prepared by some of my officials in respect to the management and control of harbours be referred to the house committee on transportation, giving that committee the opportunity to consider the report and the implications of the various kinds of participation that are possible.

Following this the committee may care to make recommendations to the house or to the government; but whether it does or does not, I think that after the question has been aired and evidence has been given the government will then be in a position to decide what its own long range policy should be and to negotiate with the government of British Columbia within that context. Following that I will be glad to give my hon. friend a precise answer to his question.

Mr. Winch: A supplementary question, Mr. Speaker. In view of the fact that a study will be made by the committee and a report made, will this conflict in any way with the action taken by the British Columbia government of expropriating property and outlining the railroad?

Mr. Hellyer: Mr. Speaker, there is no conflict whatever. What is at issue is the ultimate organization, management, administration and control of port authorities on the west coast.

GOVERNMENT ORDERS

FARM MACHINERY SYNDICATES CREDIT ACT

AMENDMENTS TO BROADEN PURPOSES OF LOANS, ENABLE CO-OPERATIVE ASSOCIATIONS TO OBTAIN LOANS, ETC.

Hon. H. A. Olson (Minister of Agriculture) moved the second reading and reference to the standing committee on agriculture of Bill No. C-112, to amend the Farm Machinery Syndicates Credit Act.

He said: Mr. Speaker, this Bill C-112 was introduced in the house some time ago, indeed in October, at which time there was a debate on many of its aspects, as there was also on the other credit bills that went through. However, I intend to propose a very important amendment to the bill; it will be to clause 3 and will be moved when we get into committee. Perhaps there are one or two other things I ought to say in response to some of the questions and comments that were made during the debate on the resolution stage. At that time there was a resolution stage for this type of bill.

• (3:00 p.m.)

When introducing the resolution preceding this bill I made a general statement with regard to the intent of the amendments, or most of the amendments. This will be found on pages 600 and 601 of *Hansard*. I do not think I need to elaborate greatly on the statement I made at that time except to give some figures which will indicate the economic advantages to farmers who are purchasing machinery under the provisions of this legislation.

From the time lending started under this act in January, 1965, until September 30 of 1968, 376 syndicates have been formed with 1,512 farmer members. They have received 487 loans for an amount of $4.1 million; and with this amount they have purchased equipment at a cost of about $6.3 million. The average loan per syndicate has been $10,800, and this represents an average loan per farmer member of $2,700. The average equipment purchased per syndicate has been about $16,800. As a result we can see that for an average debt of $2,700, plus $1,500 of his own money—that is for a total investment of $4,200—the farmer member of these syndicates has the use of farm machinery valued at an average of $16,800. I am sure that those of us who are concerned about the costs of operating farm machinery today will recognize the savings which these syndicate members have been able to make by sharing the overhead capital and depreciation costs of their machinery with their neighbours.

I know that many farmers hesitate to make sharing arrangements because such arrangements reduce their independent use of this machinery. Experience has shown, however, that by working out proper agreements in writing in advance of the purchase of

machinery farmers generally have been able to overcome the difficulties associated with the sharing of machinery. For example, a large proportion of the machines purchased under this program have been tractors and machines used for the tillage of land, the harvesting of grain and forage; and these generally are items where timeliness of operation is most significant to individual farmers. By purchasing, as syndicates, larger and more modern equipment than each farmer could afford individually and by adequate sharing arrangements our farmers have been able to get their seasonal work done as quickly, and in many cases more quickly, than they would have been able to do had they relied upon the smaller, older and less efficient machines they would have been able to afford as individuals.

The experience of the Farm Credit Corporation with this program has made it clear that the benefits inherent in this program could be extended to many more farmers if loans could be made for the various other purposes outlined in the bill. Other changes, such as the making of direct loans to farming co-operatives, will serve to increase the opportunity of farmers and make it easier for farmers to participate in the benefits offered under this program. When we come to a consideration of clause 3, as I mentioned, I propose to move an amendment to the bill in committee.

On October 29, as reported at page 2196 of *Hansard*, the hon. member for Kamloops-Cariboo (Mr. Marchand) asked that I look into the possibility of making syndicate loans available to Indians farming on reservations. The amendment which I propose to move would accomplish this purpose. I wonder, Mr. Speaker, if it would be proper for me to provide a few copies of the amendment I propose to move in committee to some hon. members in the house. Of course, I will not attempt to move it until a later stage. If there are some hon. members who wish to look at the amendments I propose to move in committee I would be happy to send copies of those amendments around to them and make them available to the various parties here.

Mr. Baldwin: May I ask a question for the sake of clarification? Will the amendment or amendments to be moved be of such a nature that the resolution preceding the bill, if such a resolution were still part of the procedure, would have to be changed? In other words are these amendments of the kind which would require changes in the resolution if there were still a resolution stage, or do they not relate to the financial aspect of the bill.

Mr. Olson: Mr. Speaker, it would be fair to say that if a resolution were still required the change would have to be included in the resolution. Certainly, including loans to Indians on reservations will add to the financial requirement with regard to the operation and administration of the act. For this reason, it might be useful for me to read part of the amendment or amendments I wish to move, so that hon. members will know what is involved when we come to committee stage. At the same time, if the hon. member for Peace River (Mr. Baldwin) is questioning the propriety of our coming along with this amendment now, I do not know the answer to that. The amendment may be slightly at variance with the resolution.

Mr. Baldwin: Is it essential at this stage to secure approval from His Excellency of any change to be made? Would it be necessary to get that approval if the resolution stage were still with us? I will not ask the minister to give an answer now, but he and the government might consider whether anything else is required, bearing in mind the provisions of the constitution and the practise which prevailed, a practise which we have now varied.

Mr. Olson: We will take the hon. member's remarks into consideration and I appreciate his concern because this, in fact, would be a major amendment to the act. I think I ought to explain briefly to hon. members that the amendment here includes provisions that are essentially similar to those that were provided in the amendments to the Farm Credit Corporation bill, where Indians on reservations could become eligible for a loan from the Farm Credit Corporation under that act. The provisions of the amendment here are essentially the same and they will require an agreement with the minister of indian affairs for the same types of loans. Generally speaking, so far as I can determine, and bearing in mind the qualifications that exist when dealing with land that is on Indian reservations, the provisions of the Farm Machinery Syndicates Act will now be made available to Indians on the same basis as they are made available to any other citizens of Canada with the same qualifications.

I think this is a major improvement to the act and I hope hon. members of this house will support the improvements. I hope they will be supported in committee. So, considering the explanation I made at the resolution

stage and the contents of the bill, I think that is about all I should say at this stage. I hope we can expedite this matter through the committee so that the provisions of the amendments will be available to the farmers of Canada generally and, specifically, so that the Indians of Canada can also make use of the provisions of the act.

• (3:10 p.m.)

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is only fitting that these amendments should be brought in at this time and that this rather important form of assistance to the Canadian farming industry be brought up to date as this bill, in general, proposes to do. I am concerned, and I believe this is one of the biggest burdens carried by the Minister of Agriculture (Mr. Olson), that just easing the supply of credit and the requirements which farmers have to meet in order to get credit are not going to meet the urgent problem of the Canadian farmer today. As the minister himself has said in this house on many occasions during previous debates, just increasing the debt load by making credit more easily available to the farmer is not going to solve his problem. But that does not detract from the importance of the bill before us. However, we must continually remind ourselves of this fact if the farming industry, which is still basic to our economy and national needs, is to remain strong.

The situation of the farmer was impressed upon me the other day when I was talking to one of my constituents who reminded me that as late as 1954, and certainly as long ago as 1948, he was selling barley at $1.40 a bushel. Today, he is selling barley at 75 cents a bushel, yet every cost involved in the farm industry continues to rise.

I have been concerned that the emphasis of the department toward the cost-price situation in which the farmer finds himself is encouraging the development of corporate farming. I notice that one of the amendments to the act setting up the farm syndicate program specifically makes that change. With the economic pressures that we face it is inevitable that there will be a greater degree of co-operative venture and an increase in the number of corporate farms but we recognize, and I think the minister continues to recognize, the fact that the basic strength of Canadian farming has lain in the independence of the individual farmer. The reason farming efficiency has improved in Canada, perhaps to a greater degree than in any other country in the world, lies in the initiative and enterprise that centre in the family farm unit.

Therefore, I would hope that when these amendments are passed, and other policies are enunciated by the government, the emphasis toward corporate farming will not prohibit assistance being given to the family farm unit in its struggle for survival.

Speaking of a specific case that is of concern to me because it relates to the principle of which I have just spoken, I would draw the minister's attention to a group of farmers in my constituency who, a year ago, in an attempt to increase their production efficiency decided to change from the use of dry fertilizer to gaseous fertilizer which has an ammonium nitrate base. This type of fertilizer has been used for a number of years in the United States but we have been slow to adopt its use in Canada.

To use ammonium nitrate as a fertilizer it is necessary to purchase a complete line of equipment, the cost of which is more than any single farmer can bear. In the instance of which I speak a group of farmers, not three but a sizeable number, formed a farm syndicate, and using the facilities of this legislation were able to borrow the money to buy the bulk storage tanks necessary to store this fertilizer on one of their farms. They also bought the pressure tanks that are necessary to transport the fertilizer from the storage tanks to the field applicator unit, as well as the field applicator equipment which injects the fertilizer into the soil below the surface.

This type of equipment was not specifically named in the tariff regulations. Not only was it not specifically named, but certain parts of it were not available in Canada. When clarifying the situation the Department of National Revenue finally came up with the decision that the imported equipment necessary for bulk storage was tax exempt as agricultural equipment. The department also decided that the equipment necessary to inject the fertilizer into the soil was agricultural equipment and free of tax, but decided that the equipment used to transport the fertilizer from the bulk storage tanks to the field applicator was not tax free.

We have tried to clear up this matter through a lengthy correspondence and discussions, yet the Minister of Agriculture in my opinion continues to uphold a vague interpretation of regulations that does not specifically name a particular implement since those regulations were drawn up when such equipment was not known or used. In this case, the group of farmers who formed themselves into

a corporate syndicate to take advantage of this legislation and obtain the money necessary to buy the expensive equipment were required to pay customs tariff on certain parts of it.

In my opinion that decision is completely contrary to the spirit of the remarks which the minister has just made when he said the purpose of this legislation is to assist farmers to buy expensive equipment that individually they might not be able to afford. I am speaking specifically of the Red Deer fertilizer co-operative. The assistance which the legislation provides is legitimate and we in this party give basic support to the principle of it.

Having said that, Mr. Speaker, I would like to pose a few questions to the minister in the hope that he may be able to answer them at this stage of the debate, or at least before we go into committee. First of all, I again raise the question of interest rates. I know that this may not be so pertinent at the present time, but I would point out that although we can continue to provide increasing amounts of capital to our farmers, if interest rates continue to rise it will be impossible even for the most efficient farmer to continue.

It is all right to say that farmers don't sharpen their pencils well enough when they buy equipment and therefore they over purchase; but if we expect the farming industry to do what we know no other industry in Canada does, that is increase its efficiency to not only offset the rise in the cost of living which has taken place over the last 20 years but also to overcome other inflationary pressures, then it is imperative that farmers receive every possible consideration.

• (3:20 p.m.)

I say that because I do not think the farmers in Canada are looking for subsidies nor does the minister or anyone else involved in agriculture want that kind of agricultural policy. I trust however, that the minister is watching this very carefully. This is not a long term type of capital financing; it is short term. I believe everything possible must be done to keep the interest rate down on this type of loan. I am a little concerned over one of the new amendments relating to the security required for a loan of this type. I hope the minister has no intention of requiring other security, as referred to in the amendment, than that which was contained in the original legislation and which is provided by the equipment to be purchased with the funds that are available.

[Mr. Thompson (Red Deer).]

I am not sure whether new section 3(2)(b) is as clear as it was in the original act, but I trust the minister might be able to make a very clear statement in this regard. I do not believe the security required under the provisions of this act should in any way affect the situation in which the farmer finds himself in respect to the over-all matter of credit. I think the suggestion that $15,000 be the maximum amount of money allowable for each member of a syndicate is reasonable, at least for the time being, and should meet the needs of the farmers.

I have another question with regard to financing. In some of the changes introduced in this bill I note there is to be established another review board to be known as the Farm Machinery Syndicate Loan Fund. I would hope this new provision will be on the basis of a revolving fund. I notice that the minister, in outlining the success there has been in the use of the provisions of this legislation, mentioned that a total of $6.3 million has been given out in loans and that the resources established by this legislation are set at a maximum of $25 million.

I would hope that in the provision for the farm machinery syndicate loan fund the revolving fund principle will be maintained. I think it is not only imperative that this be done in so far as using the initial resources in a continuing way is concerned but also that it is imperative if interest rates are to be kept down. I should like to draw this to the attention of the minister. I believe he would agree with me on this. He has agreed with me on this principle in times past; that is, when you place back into the fund the money that is being repaid on loans already made you are developing an internal financing picture which makes the final cost of interest less vital than if you have to bring in new capital every time a new increase in money is required under the legislation. Let us recall that the original legislation set up a revolving fund. I wonder whether the minister would clarify this point and make sure that this will be the continuing situation under these changes which are being brought about in clause 5.

I note also in section 9 the words "farming corporation" have been added. I have no objection to that. Farming corporations are as legitimate as any other form of farming operation. I believe it is necessary to include them in the provisions of this bill, but let us not leave out the family farm unit. If we are to place complete emphasis on the corporate or large co-operative type of farming operation I

think we will defeat the very thing which has been the basis of the strength and ability of the farming industry to carry on as it has.

There are some other questions I should like to raise during the course of the discussion in committee.

Mr. Olson: May I ask the member a question. He referred to section 9. I do not seem to be able to find that. Is the hon. member referring to Bill C-112?

Mr. Thompson (Red Deer): I am actually looking at page 5 of the bill, Mr. Minister, the bold number 6. It refers to paragraph (b) of section 9 of the act being repealed.

Mr. Olson: It is clear now.

Mr. Thompson (Red Deer): In principle, we are happy to lend our support to this bill with the provision that these amendments are intended to strengthen not only the purpose of the legislation but also the very difficult position in which the farmers of Canada find themselves today. I would hope also that the specific question I raised in respect of adjusting some of the tariff regulations with regard to equipment available to the operator through this legislation might also be clarified favourably for the benefit of the farmers. This is a small but very vital point which I believe means a great deal in respect of the morale and ability of the farmer to carry on an effective, economic operation.

Mr. John Burton (Regina East): Mr. Speaker, first of all I should like to thank the Minister of Agriculture (Mr. Olson) for indicating to the house his intention to move an amendment to this bill which would add a provision whereby people of Indian ancestry will qualify for loans under this legislation. I really want to welcome the minister's action in this regard because I think possibly it might indicate the possibility that the minister has taken a new year's resolution to show somewhat more responsiveness to the needs of the agricultural industry and the needs of those who are engaged in agriculture. This did not seem to be evident on some occasions in the old year. I hope that this spirit of responsiveness will extend throughout the year. I can assure the minister that members in this part of the house will certainly cooperate with him in an effort to find solutions to the problems.

I wish to make one comment with regard to the wording of the amendment which the minister circulated among some members of the house. I think it is sad that once again the minister finds himself in the position of having to present as an amendment a clause which stipulates that there must be agreement between the Farm Credit Corporation and the Minister of Indian Affairs and Northern Development (Mr. Chrétien) in order to make loans available to the Indian people rather than enabling the Indian people themselves to take necessary action to enter into such arrangements. I do not place the responsibility for this on the shoulders of the minister. I realize that this is not the case. I think, however, that once again we should take note that just as in the case of amendments to the Farm Credit Act, it has been found necessary to use this particular approach rather than the more desirable approach of enabling the Indian people themselves to have control and direction over their own affairs. I hope we will see some change in this situation in the near future when the revisions to the Indian Act, which are expected some time later this year, are presented to the house. I hope we will see a fundamentally new approach in dealing with this problem.

• (3:30 p.m.)

I should like to make a few comments about the legislation before us at the present time. Certainly I think we in this group will approve the extension of its provisions to cooperative farms. I also note that reference has been made to farm corporations. Of course, a farm corporation is a legal instrument for carrying on farming operations which is gaining wider acceptance at this time. As a legal entity I think it should not necessarily be criticized, but at the same time, when the term "farm corporations" is included in legislation such as this, it might enable people the government had not intended to help to take advantage of the legislation. I refer to people whose principal occupation is not farming. These people may be in a position to take advantage of such legislation, and I hope the minister is in a position to assure the house that this in fact will not be the case under the terms of this measure.

We in this part of the house can also approve the extension of this legislation to include loans for buildings. There is no argument in respect of the rationale involved in this. We can also similarly approve the extension of the term of loans for up to 15 years.

Let me note as well, however, the possible problems which may arise in connection with the security being requested for loans made

under this act. I realize that there are problems in respect of obtaining the necessary security for loans to purchase farm machinery, equipment and other items under a syndicate arrangement. There is provision for promissory notes on these loans. I should like to ask again whether this will unduly restrict the credit position of those individual members of the syndicate who will have to sign a promissory note for the loan and in fact take some responsibility for the entire loan.

Let me refer for a moment to some of the operations of the farm syndicate credit act as it will be known after these amendments are passed. The annual report of the Farm Credit Corporation for 1967-68, in reporting on the operations of the act under the old name, Farm Machinery Syndicates Credit Act, noted that the objective of this legislation is to help farmers overcome the high cost of individual ownership of farm machinery. I think members can have sympathy with this objective. They will go along with it as a basic principle as long as the operation of the act is consistent with that principle and as long as the legislation helps those who need help. I have in mind those farmers the government intends to help through this legislation.

On September 30, when the minister first introduced this legislation at the resolution stage, he made reference to the fact that from the inception of lending on January 1, 1965 until the end of July, 1968 some 444 loans had been made to 346 syndicates. Thus, there were some 98 instances where a second or third loan was taken out by a syndicate which had previously obtained a loan. As the minister suggested, this is an indication that this legislation has found acceptance among some people who have already made use of it, in that they have come back for a second or third loan.

Let me draw the minister's attention to some of the figures appearing in the table on page 13 of the annual report of the Farm Credit Corporation wherein there is a summary of the operations of the Farm Machinery Syndicates Credit Act. This table indicates the number of loans made in each province, together with the amount. As a result of a little simple arithmetic we can see there is a disparity in the average size of loan in each province across Canada. We note, for instance, that the four loans in the Atlantic provinces average some $11,000. The 132 loans in Alberta totalling $1,324,000 represent an average of $10,000. The average in respect of Quebec is $9,500. The average in Ontario is $7,500; in British Columbia, almost $5,500, and in Saskatchewan and Manitoba it is somewhere around $4,500. This difference in the average size of loans is not consistent with the differences that exist in the scale of farming operations in the provinces at this time.

In addition, I must also note that it is difficult to measure or determine what was the average size of the loans to the 346 syndicates which have taken advantage of the legislation. This is because some syndicates have in fact obtained more than one loan.

The question is raised, therefore, as to whether these loans are being directed to or obtained by the people who really need them. I have nothing against loans averaging some $10,000 being made to people in the Atlantic provinces. In many cases this is necessary. I must note, first of all, that there were only four loans made and that the average size was much higher than was the case in other provinces.

As has been suggested before, we must look at this legislation to see who is benefiting. We have a high average loan level in the province of Alberta. It has been suggested that this results from the fact that certain large farm operators in that province, including some near the city of Calgary, have taken considerable advantage of this legislation. They were certainly legally entitled to do so, but are these the people this legislation is intended to help? These facts do raise a question about the use of this legislation.

If Canada is to obtain the greatest possible benefit from this legislation, it should be integrated with general rehabilitation programs in rural areas, especially ARDA programs. This will require extension to encourage the use of these programs. Co-ordination with other programs and considerable attention by administrators to the whole question of administration will also be required.

As was noted during the resolution stage, interest rates are now determined by the governor in council on the basis of what may be considered economic rates. The legislation embodied in the bill before us was originally introduced in conjunction with two other measures last fall, both of which involved an increase in interest rates. This bill did pass the resolution stage on October 3 last and has been on the order paper since then. At this time, some three months later, we are finally considering second reading. The delay was not the result of any opposition from members on this side to proceeding with the bill.

Since this bill passed the resolution stage during late September and early October we have received a number of announcements from the government. First of all, we had an announcement by the Minister of Agriculture on November 15 in which he indicated that the Farm Credit Corporation interest rate under the Farm Machinery Syndicates Credit Act was being amended to reflect the current interest level. This is a very nice way of saying the interest rate is being put up. The Minister of Agriculture stated that loans under this act would now carry an interest rate of 1 per cent above the average yield on Government of Canada treasury bills. He went on to state that the average loan will cost 7½ per cent per annum and that the rate of interest on syndicate loans will also be established on a semi-annual basis. Judging from recent developments, I do not doubt that interest rates under this act will go up again at the next revision of the act.

The minister also announced new interest rates under the Farm Credit Act. He indicated that the rate would now be 7¾ per cent.

• (3:40 p.m.)

We had a great deal of difficulty during discussion of the Farm Credit Act in obtaining any commitment or indication from the minister as to what the interest rate under the Farm Credit Act would be as a result of the legislation then before the house. On the same day the Minister of Finance (Mr. Benson) made an announcement in which he indicated that interest rates under the Farm Improvement Loans Act would be 7¾ per cent for land purchase loans and 7½ per cent for all other loans. Thus, in both cases, interest rates were raised to a point where they are now over 50 per cent higher than those which had prevailed for a long period of time. No wonder the minister seemed to be rather hesitant at that time in letting the house in on the little secret as to just what the interest rates might be.

Mr. Olson: On a point of order, Mr. Speaker, that statement is not true. I said consistently, very firmly and positively that the rate would not be more than 1 per cent above the cost of the money to the government.

Mr. Burton: Mr. Speaker, I agree that the minister did give that indication, but he seemed very loath to quote any figure that would indicate what the interest rate would be to the farmer. In the final analysis, this is what interests the farmer. I point out that since this bill was discussed at the resolution stage farm prices have remained the same and in some cases have gone down. The Canada-wide index of prices of agricultural products shows that from August to October there was a drop from 305.4 to 300.00. This is a drop of 5.4 in the index figure within a period of two months. The October figure is the most recent one available to us. This drop is larger than the normal seasonal drop that takes place at this time of the year.

At the same time farm costs have continued to increase; they increased in 1968 for the three different periods of time in which a measurement was taken. In January the index figure was 367.6. The composite index of commodities and services used by farmers, exclusive of the living component, which provides a true index figure with regard to costs of production, was 367.6 in January and by April it had risen to 388.9. In August it had risen to 394.3. Judging from past experience the August figure will probably be further revised upward on the basis of final information available to the Dominion Bureau of Statistics.

Thus we can already see an increase of 27 points in the farm costs index for 1968, and I emphasize that these figures are in respect of less than a year. Therefore the spiral continues—increasing farm costs, and prices staying the same or going down. This policy will certainly not provide a solution to the problems of the agricultural industry. As I indicated in previous discussions on this bill and others, we cannot in this house isolate the farm credit program from other measures and policies designed to deal with the agricultural situation. The minister on one occasion seemed to think that the problem would be dealt with in this bill. The provision of credit, without other measures to stabilize the agricultural industry and to ensure an adequate level of income to those in the industry, will result in long run harm to the industry. It will result in a basic problem in respect of the whole economy of this country.

Thus I hope the government will see its way clear in the future to taking a firmer line with regard to the interest rate structure applying to this bill and to the other agricultural measures which have been considered in the house this session. It is certainly in the interests of agriculture that this be done. The farmers of this country and other Canadians will judge the government on the basis of whether they take action on this problem.

Farm Machinery Syndicates Credit Act

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I wish first of all to congratulate the minister of Agriculture (Mr. Olson) for the new bills introduced in the house these last few days. If he keeps on, and I hope he does, it will perhaps be possible to call 1969 the year of agriculture. And I am convinced that he will manage to introduce legislation more up-to-date and concrete than that which is perhaps still prompted by petty financial interests. I am confident that the minister, as a former Social Crediter, will take into account the principles which he has been taught over the years and that he will remain within the limits of justice.

Now, Mr. Speaker, may I say that we are essentially in favour of this bill, although we would have hoped for a legislation more suited to the present requirements. Naturally, bill C-112, to amend the Farm Machinery Syndicates Credit Act, will please the farmers who are still in a position to go into debt, because that is what those bills necessarily mean. And I always fear, Mr. Speaker, when discussing loans to industry and farmers, that we may play into the hands of financial interests instead of helping the farmer. As a matter of fact, at least I believe so, we are here first of all to protect the farmer.

• (3:50 p.m.)

To use finance is a very good thing, but to use it for the farmer's benefit is much better. Whenever an increase in interest rates is announced—as it has constantly happened in the last few years, because interest rates are going up at such a giddy speed that it has even become impossible to give them a fixed value in an act—the minister must be given full freedom to watch the day-to-day increase of such interest rates so as to be able to accept the lenders' as well as the financiers' decisions. Here, we are rather, I am afraid, the tools of that finance, whereas we should curb such an increase in interest rates. Such a task rests upon the government.

The consideration of those bills would therefore give us the best opportunity possible to set at last an interest rate that would really help the farmer. It is for that reason that when the rate increase was considered in this house, we spoke in favour of upholding the former rates and proposed that the difference resulting from the financiers' requirements be assumed by the government. We lost our case. Farmers will have to pay 8, 8½, 9, 9½ per cent and, tomorrow, 10 per cent. I say, Mr. Speaker, that we are not helping the farmer at all; this is far from being a gift, as I was told during the Christmas holidays; I met various groups of farmers and some of them told me: We have had enough of loans, we are fed up with interest charges that whittle down our incomes more and more.

I think those farmers were absolutely right, for when we consider their budget, we realize that the average farmer—I am not thinking of the industrial farmer—cannot possibly pay 9½ per cent interest. Loans are being granted to a category of citizens which is thought to be capable of borrowing still. In a few years probably, four at the very most, it will be realized that they were led to disaster, while those who even now cannot borrow, are breathing their last.

I take this opportunity to ask the minister whether he really wants to help the farmer, and do what is being done in the case of underdeveloped countries. If so, the farmer should be granted subsidies to enable him to buy agricultural equipment without having to turn to big finance and going deeper into debt. I feel we would be doing something constructive if we granted him subsidies for the purchase of his equipment, while expecting him to finance the balance. I feel that a bill in that sense would be the most logical the Minister of Agriculture could introduce, and I can assure him that if he were to do it he would remain Minister of Agriculture for many years to come. Indeed, what the farmer needs now is help and not a way of going into debt.

I should also like to ask the minister whether, for instance, he could not grant subsidies for the purchase of cooling tanks. Since last summer, many farmers in our area have purchased them. All processing plants require that the farmers have them; they really cannot do it without going into debt for five, eight or even ten years. I feel that it would be a wonderful opportunity to help the farmers by granting them, let us say, 50 per cent of the cost of those cooling tanks, so that they might make ends meet without imposing too many sacrifices on their families. Or else, those who want to borrow and can do so to purchase cooling tanks should be able to do it under the terms of that provision in the bill that applies to machinery syndicates. Several farmers have urged me to ask the minister to introduce, in the near future, a bill to help them directly by granting subsidies for the purchase of cooling tanks.

In fact, we know, and the minister and the government know it as well, that 90 per cent

of the farmers owe money today for the purchase of machines too expensive for their operations. I think the syndicate will alleviate that poverty to some extent and I am sure that several farmers in our area will be able to take advantage of this policy. I cannot imagine a syndicate made up of two or three foreign farmers. I rather think that it is going to be at the family level—family syndicates—and it is a good idea, in my opinion, to provide these unions with loans more within their reach. However, I say it once again, they are unhappy about the interest rates for they do not know today, nor will they know in a couple of months, what interest rates they will have to pay for those loans.

Finally, I want also to say a few words about the last amendment introduced by the Minister. Incidentally I am very satisfied with the new house procedure. The people will perhaps notice that the members speak in lesser numbers and that there are not so many lengthy speeches because we have eliminated that famous resolution stage which I have always loathed and which caused a double waste of time whenever we discussed a bill. We shall now proceed right away to the second reading and we shall thereafter refer the bill to the Committee on agriculture.

I sit on that committee, together with one of my colleagues, and I think our work will be much more effective. I also think that the waste of time will be reduced by far if matters dealing with agriculture are considered by the committee instead of being discussed in the house before two-thirds of the members who are not interested.

I congratulate the government and Parliament for adopting this new procedure. I shall now come back to the minister's amendment concerning the reserves. I believe it is high time to treat the Indians as full-fledged Canadians.

I have always deplored this attitude in the Canadian legislation; whenever the reserves were concerned, it was just as if it were a different world.

I am sure that several farmers I know who are now living on the reserve in my riding, will be glad to hear about this amendment. The Indians of all the reserves in Canada will also welcome it. They must fully participate in Canadian life and they should enjoy the same privileges as all the other Canadians.

They will probably have to put up with its drawbacks, just as the others do, because some day, the interest rates might catch up with them too. However, we hope that some Minister of Finance will come and check the greed of these hawks of finance so that we may really help the Canadian citizen and improve his welfare.

[*English*]

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, I would like to take a few moments to say a few words on Bill C-112, to amend the Farm Machinery Syndicates Credit Act. First, I would like to congratulate the government on accepting the amendment suggested by the hon. member for Kamloops-Cariboo (Mr. Marchand) making it possible for Indian bands to participate under this legislation. I can assure the minister and the house that I and my party are in full accord with this amendment. I find it hard to understand why it was not incorporated in the orginal bill.

The Farm Machinery Syndicates Credit Act is a very important piece of legislation. I have always wondered why farmers did not band together more often in the operation of their farms in order that their machinery may be used for a longer period. We hear about farmers paying $8,000, $10,000 or $12,000 for machinery which is being used during a very short time, whereas if the cost were spread over a longer period of time it would help those who participate under this act to meet the increasing costs of operation.

• (4:00 p.m.)

The hon. member for Red Deer (Mr. Thompson) gave us a lot of facts and figures in connection with the cost-price squeeze in which so many farmers find themselves, so I shall not touch too closely on that subject. However, I should like to talk for a little while about the cost of machinery. I raised this subject a few weeks ago when we were discussing tariffs in connection with the Kennedy Round. The Parliamentary Secretary to the Minister of Finance (Mr. Gray) told me then that the practice which has grown up in Ontario whereby farmers go over to England, enter into private agreements with English farmers and bring back tractors to Canada at great savings, is continuing. It is hard to understand why it should be necessary for individual farmers to go through this procedure when we have dealers and companies operating in Canada to sell and distribute this machinery. One cannot blame the farmers for making their own arrangements. As I said a few weeks ago, the first transaction I heard about involved seven tractors being brought to Canada at a saving of $20,000, well over $2,000 a tractor.

Farm Machinery Syndicates Credit Act

During the Christmas recess I found that a great many farmers in my own area were highly interested in this arrangement. Some of them are going through the same process either travelling to England themselves or sending agents to arrange for the importation of these tractors. I understand no duty is payable on them because they are in the category of farm equipment, and that no question of dumping arises because virtually no tractors are made in Canada at the present time.

I hope the minister will instruct the commission which is presently looking into this whole question of farm machinery prices to give special attention to the fact that tractors very similar to those being sold in Canada can be obtained so much more cheaply abroad. This is an important matter. After all, there are dealers in this country who have been selling tractors to Canadian farmers for a long time, and doing a good job. They are sound businessmen but now they find that some of their business is being lost because their customers prefer to go to England to buy tractors there.

This might even be a subject for inquiry by the Department of Justice. These are transactions which can be carried forward by individual farmers and I do not see why these reduced costs should not be available to all Canadian farmers who wish to buy tractors. I sincerely hope the minister will look into this question seriously and if necessary obtain the advice of the Department of Justice to determine whether anything is going on which is unfair or unjust to Canadian consumers, to ensure if possible that consumers are protected and that these lower priced tractors are available to all the farmers of Canada.

Mr. A. P. Gleave (Saskatoon-Biggar): At the outset, Mr. Speaker, let me say that this approach to lending to farmers is a good approach. I refer to syndicate or joint buying facilities. For instance, had this legislation been in effect earlier, farmers might very well have bought grain dryers under this system, enabling them to meet the present need.

As previous speakers have pointed out, this scheme is being extended to people of Indian descent so that they, too, may take advantage of loans of this type, an arrangement which will probably fit in very well with their approach to farming. Unfortunately the measure brings with it the highest interest rate in living memory for loans of this type, and this interest burden will be added to farm costs at a time when those costs are already inordinately high.

In my view, the government should be concerned about whether the farm industry will really be able to carry the credit which is being extended to it. Take, for example, a report which appeared in the *Star-Phoenix* this month, in which we read that farm implement dealers in the present crop year find themselves with very high accounts receivable. One dealer says he is okay for the next few months although his banker has been warning him to "watch it". This is the type of credit position we have to consider. I do not blame the Minister of Agriculture (Mr. Olson). He is locked into the government's policy, a policy under which the ceiling was removed from bank rates some time ago. We were told then that it was intended to depend on competition to control interest rates, and that this competition would probably bring those rates eventually to a level satisfactory to the people of Canada.

Well, from the seat I sit in, it looks as though the competition is not awfully strong. We are still faced with increasingly high interest rates, and those rates, as I have said, are a charge on the overall operations of farmers. I do not observe that a great deal is being done on the other side of book to deal with farm sales and farm income.

A farm machinery commission has been sitting, now, for going on two years. While the commission continues its discussions some place, somewhere, taking evidence, going around the country, Ontario farmers, as the previous speaker has just told us, are solving the problem themselves by going to England and buying tractors there at prices far cheaper than those existing in Canada. Other farmers are hiring trucks to go below the border and haul fertilizer up to Canada because they can buy it cheaper in the United States. This should be an indication of the amount of competition which exists in Canada, whether in interest rates, in sales of farm machinery or in sales of fertilizer. This is a problem with which the government must come to grips; it will have to recognize the fact that the competition which is so often talked about simply does not exist.

On the other side of the coin, provision has been made to set up a grains council in Saskatoon. This Council will be another debating society where people will sit and cogitate, dream up plans of research which may or may not be carried out, and dream up plans for promotion which may or may not be put into

effect. If these things were intended to be done they could be done right now. All the machinery in terms of government already exists to meet both the situations I have mentioned as far as the farmer is concerned. Machinery already exists for the investigation of monopolies, whether in the farm machinery industry or in the fertilizer industry. On the grain selling end there are already plenty of research establishments; all they need is the money and a direction from government to get going. The Board of Grain Commissioners has facilities for dealing with the research end, and the Canadian Wheat Board is able to look after sales. All we need in both cases is for the government to say: Here is the money; here are the men; get on with the job. Such arrangements are part and parcel of the lending program. I do not think that farmers, any more than anybody else, can "borrow themselves rich"; it just does not happen. There is not much point in farmers borrowing a lot of money if the actual structure of their farming operations is not such as to carry the loans, pay the interest and leave the farmers in a good sound operating position. Therefore, I plead with the Minister of Agriculture to give these other aspects the very thorough consideration and attention that he has given the credit program since the commencement of this session of parliament. If he will do so and bring proposals in connection therewith before the house, then the farming industry may be able to look with more confidence to the future.

• (4:10 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make a few remarks about the bill now under study. I would just like to point out that the proposed changes to section 2 seem to answer the need, I think, for three people to form a farming union in the legal sense and to be recognized as such in order to raise loans so as to finance farm mechanization.

Even if it is an advantage for farmers to unite towards that end, they should not fall into the opposite excess.

Let us then admit that the small ancestral farm, with its insufficient buildings and its diversified husbandry is submarginal and inadequate because it can no longer meet the normal demands of agricultural efficiency, nor face the imperatives of a society oriented towards an aim which it becomes constantly more expensive to achieve.

However, to assume that the family farm, as such, is doomed to a complete disappearance would seem exaggerated. In Quebec as elsewhere, we shall witness some day a transformation of sorts, a certain gathering of lands under the direction of a few partners.

But nothing proves that they will be, "in majority terms", so much more efficient than the present system of our excellent average family farms. If the State grants credit facilities for mechanization, well and good, but we must always observe a happy medium.

It would also be a good policy to have a 5 per cent ceiling on the rate of interest for these loans, because the farming industry has not got revenues as high and as stable as the other sectors of our economy.

The fact that the rate of interest is unknown for this kind of loans is a risky business. While in the agricultural and other fields, it is necessary to budget to see one's way clear, the revenues of agriculture are too low to enable the farmers to pay a high rate of interest.

Why should the same people be penalized all the time? Let bankers and financiers do their part. They have grossed over a billion dollars profits in the last year, which seems all right to me. Moreover, the price of farming machinery is too high and it is high time for the State to become aware of what is going on.

I do think that, it would be in order to add to this legislation—I beg the minister to take note of this suggestion—a group insurance plan for the payment, at the death of a member, of his share of the loan granted to the syndicate. Then, the other members would not have to bear the loss resulting from the death of one of their members.

The minister quoted figures so as to establish how many pieces of machinery have been bought by the syndicates under the Farm Machinery Syndicates Credit Act. These statistics are interesting. However, the last edition of the annual report of the Farm Credit Corporation, clearly establishes that eastern farming differs from western farming.

In fact, in the province of Alberta in 1967, 38 syndicates borrowed $495,405 to purchase 424 machines while in Quebec 30 syndicates borrowed $247,851 to purchase 220 farm machines. It would be impossible, in the field of agriculture in Quebec to set up very large farms because it is mainly centered upon the dairy industry.

To be economical this kind of operation, ought not to go over a certain level. *Farm Economy in Canada*, Volume III, page 51, bears this out.

Decreases have been recorded in all parts of Canada except in Quebec and in British Columbia. In Quebec, the number of cows has increased by nearly 2 per cent. The number of heifers has increased by 11 per cent which more than offset the decreases in all other areas. This is why I state positively that it will be difficult to expect the setting up of large communities as in the western provinces, Quebec or the Atlantic provinces.

Therefore, I wish for the farmers during the year 1969 an increase in their income which would enable them to borrow less and yet to develop normally and to survive. With better prices and better farming methods, it will certainly be possible to increase their incomes. But if those incomes are offset by borrowings at excessive interest rates, things will not improve and the Quebec agriculture will not be able to make progress according to the wishes of the people, the government, and especially the farmers themselves.

[*English*]

The Acting Speaker (Mr. Béchard): Order. If the minister speaks now he will close the debate.

Mr. Olson: Mr. Speaker, I will not take very long to answer some of the questions that were raised during the debate.

First, the hon. member for Red Deer (Mr. Thompson) outlined some of the problems his constituents were having with regard to tariffs or perhaps he also said with regard to excise tax on some equipment that they had purchased. I am not sure that this kind of problem can be, or is even intended to be, resolved by Bill C-112 that is presently before the house. The problem of the application of these taxes rests, of course, with the Minister of Finance in so far as matters such as the budget and the making of laws are concerned; and the interpretation of the laws and the collecting of moneys rest with the Minister of National Revenue and his staff. I would like to say to the hon. member that there is not a general exemption for all farmers for all things they purchase. There is a schedule of items that are exempt from taxes that my hon. friend mentioned. There is also provision for exempting certain items beyond those that are mentioned specifically when certificates are produced. My hon. friend knows that. However, I do not believe that within the context of bill C-112 this problem can be resolved. I admire the hon. member's ingenuity in airing his grievances in this debate but I doubt whether I can be helpful if I am to adhere to the rules of relevancy, which I always attempt to do.

• (4:20 p.m.)

Mr. Thompson (Red Deer): May I ask a related question, Mr. Speaker. I shall try to adhere to the rules of relevancy. The money involved in the purchase of equipment is granted as a result of the provisions of the Farm Machinery Syndicates Credit Act. That act must be interpreted by the Minister of Finance as well as by the Minister of National Revenue. Whenever there is a questionable item that may not be included under the regulations I would expect the Minister of Agriculture, who has acknowledged that he has goodwill towards farmers, to use whatever influence he has, which is considerable, with other departments of government in helping the farmers with their problems.

Mr. Olson: I am not sure of the level of influence I enjoy but I can assure my hon. friend that it is the full time occupation of the Minister of Agriculture to be helpful in all matters of concern to farmers.

The hon. member said that I had mentioned the fact that there was overcapitalization in the farm sector of our economy so far as capital costs, and so on are concerned. I was speaking of those costs as they relate to the costs of operation. I still hold to my former opinion. In many cases there is indeed overcapitalization on farms. I say that because of the size of some units in relation to the amount of machinery that has been purchased to operate them. Costs of operation, of course, include the interest and depreciation involved in that capitalization. I make no apology for my opinion; it is my opinion. Although I do not say this situation applies generally to all farmers, it does apply to many farmers.

The hon. member also mentioned that the bill calls for such security as the corporation may require for any loan. In the old legislation the relevant wording was found in section 3(2)(b):

> —such other security, including a mortgage on the farm machinery purchased with the loan, as the Corporation may require.

The present wording is not new. The legislation has been modified in order to benefit farmers. I share the hon. member's concern for the family farm and I think that the

amendments to be made to the Farm Credit Act will enhance the position of the family farm in many respects. Indeed, this bill is not particularly and specifically adapted to the family farm as a unit operating by itself. This bill deals with the syndicate and provides for a farm corporation, such as a family farm, to be part of the syndicate. It insures that there may be a co-operative use of machinery whenever the operators of the family farm join with other farm operators, if that is beneficial to them.

The hon. member for Regina East (Mr. Burton) did not like the idea that the Minister of Agriculture through the Farm Credit Corporation would have to enter into agreements with the minister responsible for Indian affairs in order that use could be made of some provisions of this legislation. The answer is that the Minister of Agriculture, as well as the Farm Credit Corporation, must abide by legal requirements respecting security, particularly when public funds are involved, as they are here. Therefore, we must bear in mind the legality of the security we take, and that is the reason for the wording of the bill. That is also why similar wording was included in the amendments to the Farm Credit Act.

Questioning whether those who most need the provisions of the legislation would benefit by them, the hon. member cited some cases where in or around Calgary some successful farmers had availed themselves of the provisions of the Farm Credit Act. Really, the hon. member answered his own question, since those people had a complete legal right to avail themselves of the act. I want to say clearly that we must not set up legislation which will discriminate against successful farmers. Indeed, we intend that the legislation we introduce will assist in making all farmers more successful. Therefore I really could not follow the hon. member's argument. I think I answered his query about why the Minister of Agriculture was reluctant to say what interest rates with respect to farm loans would be. I said all through the debate that took place last fall that the interest rate would be no more than 1 per cent above the cost of the money to the government. That is what it was, and I said that very positively. Anyone who took the trouble to learn what the current interest rate was at that time would have known that this was so. I also said clearly and positively that the rate would be adjusted from time to time, and "time to time" has worked out to mean every six months.

The hon. member quoted statistics and did something I did when I was in opposition. He took them out of context in order to make his argument more plausible. It is not enlightening to others when one quotes statistics taken from one month to another. If the hon. member had wanted to be fair, not only to this government but to farmers generally, he would have used statistics covering a much wider range. Although I do not have the relevant document in front of me, I believe he said that the index of farm receipts was at 305 for September and had decreased to about 300 for October. He neglected to mention that that index was some 3 points higher than for the same period last year. That is what happens when you select your statistics and take them over a short space of time. To be fair, I think we ought to see what the total cash receipts were for farmers. I have in front of me a document which gives that information for the years 1963 to 1968. I think you must take these averages over a broader period in order for them to be meaningful. Total cash receipts for the first half of each year from 1963 until 1968 were as follows. For the first half of 1963 farm cash receipts—that is total cash receipts—were $1.443 billion. For 1964 they were $1.6 billion. For 1965 they were $1.7 billion. For 1966 they were $1.9 billion and for 1967 they were $2.1 billion. You can see the steady increase ever since this party took over the reins of government in—

Mr. Lambert (Edmonton West): That is 25 per cent inflation.

• (4:30 p.m.)

Mr. Olson: The average for the first six months of all those years is, therefore, $1.793 billion with respect to total farm receipts. For the first six months of those years total farm receipts were $1.793 billion, and in 1968 the figure was $2.1 billion. Significant increases were shown all the way, and indeed this includes the latest year.

Mr. Lambert (Edmonton West): May I ask a question of the minister?

Mr. Olson: Certainly.

Mr. Lambert (Edmonton West): Are these in constant dollars, or do these reflect the 25 per cent devaluation in the purchasing power of the dollar?

Mr. Olson: There we go again, Mr. Speaker, with these statistics that don't mean anything. The hon. member mentions a 25 per

cent devalued dollar. I would ask between what years?

Mr. Lambert (Edmonton West): Between 1963 and 1968.

Mr. Olson: These are current dollars, Mr. Speaker, but even if you take the figure for the first half of 1963 at $1.4 billion, which happened to be the last part of the reign of my hon. friend's government, and then take the figure for the first half of 1968 at $2.1 billion you will find there is a significant increase over and above the 25 per cent change in the value of the dollar, if that percentage is correct and I question that it is. That is the problem when you select figures and just average them. I suggest to the hon. member for Regina East that he ought to be fair with these selective statistics. We also have ways and means of looking at these statistics.

The hon. member for Wellington-Grey (Mr. Howe) asked why this amendment qualifying Indians on reservations for the provisions of the legislation was not introduced previously. I do not know what the answer is. I suppose we could also ask why Indian farmers were not included in the F.C.C. legislation when it was introduced in 1959 and 1960. I do not know why, but when we see these weaknesses in the act we try to correct them as rapidly as we can. Perhaps we could ask why this amendment was not introduced in 1964 and 1965, but I am grateful for the opportunity to bring it in now and I think it will receive general support from members of the house.

The hon. member also raised the question of farmers importing machinery directly from England. He asked us to investigate the reasons for the wide difference in the price the farmers were paying for exactly the same type of tractor on sale in England and in Canada, and how farmers could buy a tractor in England, pay the transportation costs and bring it to Canada at a total price substantially less than the price of the same tractor on sale in Canada. We are investigating this matter, Mr. Speaker, and we hope that some publicity will be given the results of the investigation, providing the figures that we have seen quoted in the newspapers are correct. If those figures are substantiated, then of course there is justification for some action to be taken to ensure that this equipment is distributed through the regular machinery distribution channels in Canada at prices in line with the prices in England.

[Mr. Olson.]

The hon. member for Saskatoon-Biggar (Mr. Gleave) asked why some grain dryers had not been purchased under the Farm Syndicate Loans Act. Several weeks ago I was informed of the exact number of dryers bought under the provisions of the act—

Mr. Gleave: Mr. Speaker, the minister may not have heard me correctly. I did not question why they were not bought. I said that under this act they probably could be purchased, and that its provisions would be useful for that purpose.

Mr. Olson: I thank the hon. member for clarifying that. I agree with him that not only is the legislation useful for that purpose but has been used for that purpose.

The hon. member for Roberval (Mr. Gauthier) asked whether or not bulk tanks for milk could be purchased under the provisions of the act. If more than one farmer could use a bulk tank co-operatively, then I see no reason why the legislation's provisions would not cover such a purchase. However, this is a piece of equipment that each individual dairy farmer requires on his own farm for his own use. In a case where more than one farmer was going to make use of a single bulk tank, I see no reason why it could not be bought under the provisions of this act. In many cases, I do not think it would be a practical thing to do.

In conclusion, Mr. Speaker, I want to thank hon. members for their contributions to the debate. We shall try to have the answers for many of the other questions raised when the clause by clause consideration of the bill is undertaken in the Standing Committee.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture.

FINANCE

AMENDMENTS RESPECTING INTERNATIONAL MONETARY FUND AND EXCHANGE FUND ACCOUNT

Hon. H. A. Olson (for the Minister of Finance) moved the second reading and reference to the standing committee on finance, trade and economic affairs of Bill C-138, to amend the Bretton Woods Agreements Act and the Currency, Mint and Exchange Fund Act.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the house will recall that I attempted to deal with the nature and background of this bill in some

detail during the debate on its resolution stage last December 3. Therefore, I propose to speak relatively briefly at this time, and it is my hope that the house may wish to expedite second reading so that the standing committee on finance, trade and economic affairs can begin at an early date its examination of the detailed provisions of the bill and the special drawing rights scheme.

As I pointed out in my earlier remarks the proposals in the bill represent a highly negotiated package, the details of which were negotiated over a protracted period of time and agreed to by an overwhelming majority of the International Monetary Fund's one hundred-odd member governments. Therefore the changes in the articles of agreement of the International Monetary Fund which it proposes constitute what is in effect a single amendment and they should, I think, be looked upon in that way.

The bill furthermore provides for a change in the Currency, Mint and Exchange Fund Act to provide authority for special drawing rights obtained by Canada to be held in the exchange fund account. It is visualized that any special drawing rights, or S.D.R.'s as I will refer to them from now on, thus held by Canada would be included in Canada's official reserves.

The more general point, Mr. Speaker, is that the S.D.R. proposal represents another step forward in the evolutionary development of the international monetary system since the Second World War to which I referred when I spoke on December 3 last. Despite the many critcisms of the system which seem to be in vogue today, one could well be impressed with the system's ability to cope with the major unforeseen developments of recent years in ways which do not impair national or international prosperity. This recent performance may be contrasted with the experience of the past when international monetary developments had much more severe consequences.

There is no denying that the spirit of international monetary co-operation and co-ordination, which has marked the postwar period and which is embodied in the International Monetary Fund, has made possible a rate of growth of world trade and a reduction in barriers to trade which have few if any parallels in history. Canada is a major trading nation and our prosperity depends on world trade to a degree equaled by few other countries in the world today.

We have been a prime beneficiary of this rapid growth of world trade and have every interest in all measures which can facilitate the continued growth of world trade in the future. This is why Canada has participated actively in the liquidity discussions of recent years and why Canada has given its active support to the special drawing rights proposal.

• (4:40 p.m.)

It would be wrong to suggest, however, that the S.D.R. proposal is more than one step, though a large step, in the process of evolution of the international monetary system. It is not a panacea. There are pressing problems remaining in the international payments scene which cannot be solved solely by the deliberate and orderly creation of international reserves. These problems will need to be solved if short term crises, of which there have been several in the past year or so, are to be avoided. Most of these problems stem from the inadequate operation of the adjustment process. A number of major countries have experienced deficits or surpluses of a persistent and intractable nature in their balance of payments, and these have to be corrected. Hon. members will have noted that this is recognized in the proposed amendment which provides that activation of the S.D.R. scheme is contingent upon the attainment of a better balance of payments equilibrium and the likelihood of a better working of the adjustment process in the future. Under these circumstances, however, the existence of the S.D.R. scheme can ensure that the future growth of trade and payments will not be impeded by a lack of liquid reserves in the system.

The amendment to the articles of agreement of the International Monetary Fund will not come into force until it has been approved and accepted by three fifths of the International Monetary Fund's membership holding at least 80 per cent of the total votes. As of December 31, 1968, 27 member governments with 47.22 per cent of the total votes had approved the amendment. As in the case of Canada, a number of other countries are currently well advanced with the legislative action needed before they can give their approval. I am confident the house would wish the action on this bill to be completed in time for Canada to be among those countries whose approval brings the amendment into effect. I therefore urge the house to give prompt second reading to this very important bill.

Finance

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as the hon. parliamentary secretary said, the house considered the resolution on this bill on December 3. Frankly, under the new procedure, one would almost think this stage of debate is superfluous. Therefore I do not think we will take too long. However, having had occasion to read what I said on December 3 I would not change anything I said at that time. I read what the parliamentary secretary said and what the hon. member for Regina East (Mr. Burton) said on that occasion also.

At this stage, I should like frankly to emphasize certain aspects of what was said at the time. The parliamentary secretary said that this is a very important bill. I agree with him entirely. After all, Canada is a country which depends a great deal upon its exports, more so perhaps than most countries of the world. Therefore, it is absolutely essential that there be a smooth working of the International Monetary Fund for the benefit of Canada's economic well-being. Any disruption in the international monetary system has an immediate effect on Canada.

The other day the minister was almost cavalier in his, shall we say, disdainful or detached interest in the crisis related to the franc, the mark and the pound. This may have been said in the house or in that other medium of parliamentary administration, television, but if I remember correctly the minister said, "Oh, well, that does not really affect us; it is a crisis over in Europe." As the hon. member for Winnipeg North Centre (Mr. Knowles) just pointed out to me, we are only about five hours away from Europe by air. The crisis is just as much on our doorstep when it is over in Europe as it would be if it involved the dollar. Therefore, the Minister of Finance (Mr. Benson) was all wet when he said this is merely a crisis over in Europe.

Mr. Lind: Can we do much about it?

Mr. Lambert (Edmonton West): Yes; we could do quite a bit about it. There is no such thing as saying, "Well, it does not really affect us; it is over in Europe." There is a great deal we can do. There is a great deal that can be done right within our own economy in keeping our house in order. The hon. member will immediately recognize there is one fundamental basic principle that applies to the whole of the international monetary relations; that is confidence in currency. How is confidence lost? It is lost by reason of the fact that the country in question is mismanaging its affairs and is letting inflation run rampant. We have seen the effect of this. We have seen what has happened in Britain and we have seen what has happened right here in Canada. We will see it again unless the Minister of Finance pulls up his socks in so far as financial administration is concerned.

Some time ago the Minister of Finance had the temerity to appear on television and say he recognized his problems and had the solutions. But since that time, and concurrent with that time, the bond market has been going down and down and the interest rates have been going up.

An hon. Member: All around the world.

Mr. Lambert (Edmonton West): But even in Canada. Why does the minister say he sees the problem and has solved it when he had not seen it and did not even know it. Then, he turns around and exhorts the provinces to cut back on their budgets and expenses and does the same thing with the municipalities. He then has the gall to come into this house and say that our expenses next year will be $900 million higher than last year. That is the reason I suggest to hon. members that we in Canada are in a very vulnerable position on two counts; first of all, because of our high degree of dependence on international trade. If anything happens in respect of world currencies in Britain, France or anywhere and we have import surcharges and restrictions on trade of course we will be hard hit.

Secondly, if our position is not credible, if there is a lack of confidence in the dollar because the government cannot be believed, then we become all the more vulnerable. Frankly, that is the position in which we find ourselves today. Since we last debated this subject one event has happened which I think might be of assistance to the minister. I referred to this in my remarks. I was glad to see an agreement reached by the United States and Canada to remove the ceiling on United States dollar holdings by Canada. I hope this will allow the government to better manage Canada's fiscal affairs, at least in part. But the special drawing rights that are provided in this bill are but a palliative which does not really go to the root of the trouble. I suppose the piling up of one line of reserves may help for a time to shore up confidence in a particular currency or currencies but, as I said before, essentially the real strength of a currency lies in the confidence in this currency in the world market. I pointed out that the degree of confidence is a reflection on the efficiency and skill in the management of a country's affairs.

• (4:50 p.m.)

This is particularly significant when you have mounting inflation as a result of unrestricted government expenditure. We heard the outgoing President of the United States say yesterday that the greatest problem facing that country is inflation. This was not said six months ago, and does not appear to have been recognized. Even the 10 per cent surcharge on income tax appears to have been too little and too late. The United States faces additional factors which lead to inflation but which are not applicable to Canada. That country suffers the terrible expense of a war, and I am not going to refer to the justification or otherwise of that expense, but it does exist. No amount of wishful thinking will wipe that away, and that is one of the chief sources of inflation. The United States also has some very expensive external aid programs which represent a drain on the economy. These expenses under the present circumstances, combined with other factors, may in actual fact prove to be more than that economy can support. This is something else we should consider in determining the level of our external aid.

Having regard to interest rates in this country and their result, let me refer to what was said during this debate on December 3 or shortly thereafter. At that time I was considering what the money market thought about Canada's increasing dependence on the short term market. What were the rates for treasury bills at that time? Let us take a look at the last report of the Bank of Canada and the charts which appear at page 9. We will see that the yield on 182 day bills was not the highest it had ever been, but it was very high. This was immediately after the dollar crisis last spring. The yield was much higher than it was at the beginning of December. The rate went up on 90 day bills to 6.40 per cent from 6.29 per cent on January 7. On 182 day bills the rate went up as high as 6.75 per cent.

Let us look at the interest rate on government loans. The rate is up to 7.30, the highest that I think anybody who is present in this house can ever remember. In considering the terminal dates of these various bonds, we must ask ourselves where these higher rates exist. The answer indicates what the small investor thinks about the long term obligations of the government of Canada at the present rate of inflation. Frankly, they are not worth a great deal. Bonds maturing in 1983 are trading on the market today at $70. This is a terrible reflection on the credit position of this country. These things are only incidental, but they show how important it is that the internal financial matters of this country be handled properly. They should be managed in such a way that others will have confidence in our currency. This confidence is the greatest asset we have in respect of maintaining the value of the Canadian dollar on the international market.

The present bill is lengthy and technical. I make no pretense at this time of being able to find my way through it, but under the new procedures I look forward to the sessions of the committee on finance, trade and economic affairs when we will have officials of the department and the Bank of Canada before us to help us understand it. I invite not only the members of the committee but all hon. members to attend these sessions in order to acquaint themselves with what is happening in the international market and how Canada may be affected by changes in the international monetary position.

The parliamentary secretary has indicated that this measure provides for new reserve assets to supplement gold and reserve currencies in the participating countries' foreign exchange reserves as well as pertinent and related administrative changes in the structure of the International Monetary Fund. It is my understanding that special drawing rights were not to be of a permanent nature. I hope we can get some clarification in this regard.

As I read the bill, participating countries will only be able to avail themselves of these special drawing rights for relatively short periods of time to deal with emergencies. This is not a procedure through which they may deposit funds in special accounts and draw cheques on them. These participating countries will use these special drawing rights under their normal reserves. These reserves will exist, but I suggest they must be clearly identified. A country's foreign exchange reserves should not be lumped together as a number of billions of dollars, or whatever the currency may be. A clear indication should be given as to which are gold reserves and which are other reserve currencies for the purpose of special drawing rights. I may be overly sensitive in this regard and perhaps the parliamentary secretary or the officials of the department will be able to clarify this point, but it would be disastrous if special drawing rights were directly related to the other reserves held by a country in its foreign exchange account without a clear and distinct identification.

Let me suggest at this time that not only are we going to ask for full explanations regarding these changes and how they will affect the situation, we are going to ask for the views of the financial authorities and experts who from time to time have expressed the opinion that a change from a fixed exchange system would be of advantage to Canada. I do not know to what extent they may feel this would be of advantage to the world, but these voices, although relatively few, have been heard.

We have gone through several monetary crises within the last three or four years. We have experienced these crises regularly and with increasing rapidity and intensity within the past two years.

• (5:00 p.m.)

These crises show that the fixed exchange system under which we are operating, based on the U.S. dollar and the pound sterling, has some weaknesses. We know there are weaknesses. We know that these weaknesses become apparent with increasing frequency and intensity. Therefore it behoves us to look for something better. I say to hon. members that we should be prepared now to listen to these people; to the president of the Royal Bank of Canada, for example. It was an odd thing that the late member for Nanaimo-Cowichan-The Islands was against the banks in such a deadly fashion. What a strange couple Mr. McLaughlin and Mr. Cameron made, both advocating a free floating dollar.

Mr. Lewis: They will never meet again in the same place.

Mr. Lambert (Edmonton West): I do not know where Mr. Cameron is, but I do not think the hon. member suggests he is in a place that is unattainable. There are others to whom the committee should now listen, the economists, the economic advisers to the Bank of Nova Scotia and some of the financial writers, so that the credibility of the case for flexibility may be judged. I suggest that when asking them to appear before us the burden of proving what they advocate, whether it is a free floating dollar or a floating peg, to use the jargon of the financial market—

Mr. Lewis: Crawling peg.

Mr. Lambert (Edmonton West): —is better than the fixed exchange should be upon them. The burden of proof will have to be on them to show that not only that will it benefit Canada but the whole of the international monetary market and financial relationships the world over. It would be rather ridiculous if we simply said: We will put ourselves on a tight, little, safe island and to blazes with the rest.

It may be that they are able to demonstrate the advantages of the system they advocate. I for one would invite some of them to be prepared to come before the committee and explain just what they propose and what advantages they foresee not only for Canada but for the whole of the operations of the international monetary sytem.

I agree that after some of our colleagues have spoken the house should be prepared to accept the motion and the bill should be sent to committee after second reading.

Mr. David Lewis (York South): Mr. Speaker, I rise to take part in this debate as a citizen who for many years has attempted to understand the international monetary system and has become increasingly impatient with the morass which it in fact is. One of the points I want to make immediately was emphasized by the hon. member for Edmonton West (Mr. Lambert) who preceded me. Everyone keeps talking about a currency needing confidence. My hon. friend says that the position of a currency in the international market depends upon the skill and competence with which governments run their countries. I say to him, horse feathers. That is true in some cases, but in many cases the position in the international market of the currency of a country is unrelated in any way whatever to the internal state of the economy of that country. This is the crushing fact and the undesirable consequence of an international monetary system that is really a straitjacket to progress in the world. In what kind of economic, internal difficulties were Canada, the United States and France when their currencies were in some difficulty? None.

Mr. Lambert (Edmonton West): Inflation.

Mr. Lewis: My hon. friend says "inflation". Inflation my aunt, in this particular context. The inflationary pressures in these countries were not any greater than those in many other countries whose currencies were not in any difficulty. In fact, the inflationary pressures in the countries I have named were considerably less than those in many other countries which had no currency difficulties. This confidence about which every international monetary spokesman makes long speeches and homilies to the world is a shibboleth. They say we must have confidence in

our currency. Who, in heaven's name, destroys that confidence except the people who want to destroy it? The fact is that there is a constant kind of vicious circle in this international monetary morass for which speculators and thoughtless governments are responsible. When they think a currency may be in some difficulty, they try to make money out of it; and by trying to make money out of it they are making certain the currency will be in difficulty. The more you do that, the greater is the difficulty for the currency. In many cases this difficulty has no relation whatever to the economic situation of the country. I do not say this applies in all cases.

An hon. Member: Why is the mark so high?

Mr. Lewis: I think the mark is high partly because of the particular export situation of Germany and partly because somebody is playing the mark against the franc. It is so high, I believe, partly because of an international monetary situation which does not permit of the kind of quick adjustment by some international monetary agency which would avoid these ups and downs or at least diminish them.

The point I am making is that there is a mythology about the international monetary system which tries to say that if a currency goes up it is because a government or country has handled its affairs well, and if it goes down somebody has handled the affairs badly. Not in all cases is that true; in fact, in many cases it is not true at all. We ought to get rid of this mythology and approach international monetary problems on a more rational basis.

What is the basis on which we should approach these problems? As a layman who claims no great expertise in the subject, I suggest that one of the reasons the Bretton Woods arrangements have fallen apart in some instances is that at the time they were adopted we talked about going off the gold standard when in fact we did not. In fact, we have always been on the gold standard. Through the Bretton Woods arrangements we have been on the gold standard in an indirect, rather than a direct, way. We have in fact been tied to the price of gold, the reserves of gold and the reserves of dollars related to gold, as well as to the pound sterling, but mainly to the reserves of dollars.

Therefore instead of the Bretton Woods arrangements actually freeing international trade and exchange, they continued in a modified form precisely the same kind of international strait-jacket that the gold standard represented years ago. Some of us in my party said 25 years ago that the Bretton Woods arrangements would not work in the long run. There is a simple logic in the situation, I suggest, even though I claim no expertise in the subject. All that these schemes represent, whether it be the Bretton Woods arrangements or the amendments we now have before us, is a certain amount in an international reserve pool. At some point in the future, as the international economy grows, as international trade grows and as international payments increase, the reserves which are set up will be found to be inadequate. You cannot provide for a continuing international fluidity, for a continuing adequacy of international reserves to deal with increasing international trade if at any time you set a limit on those total reserves across the world.

This was done under the Bretton Woods arrangements. It will be done under the S.D.R.'s because there will be a total amount of S.D.R.'s available in addition to the reserves.

• (5:10 p.m.)

One of the points I want to emphasize is that the speculators in the world are, to a very large extent, responsible for the trouble into which the currencies get. I do not know what the solution is to dealing with speculators but I want to say a word about the problem. When I say speculators, I am not referring merely to the gnomes of Zurich but I am also referring to all the large corporations the western world over which have officers especially assigned to the task of watching the international money market. They buy and sell international currency in order to protect the welfare of the corporation without the slightest thought for the welfare of the country in which they operate and without the slightest thought for the welfare of the world in which they trade. These are the speculators to whom I refer. We have them in Canada; they have them in the United States, in London, in Paris, in Bonn, in Hamburg and in every other western country and centre. The vice presidents, managers or others are given the specific task of playing the international money market, having in mind only the protection of the interests of their corporations without regard for what that may do to the general economy, to international trade, to international exchange or to the balance of payments. Our concept of "free enterprise" gives them the right in Canada, in the United States and anywhere else to play this game. It

is a game which they play at the expense of the welfare of people throughout the world, not only of people in the countries in which they have their headquarters.

I submit that this is the basic problem. I do not deny that this is my philosophy of opposition to the uncontrolled capitalism which permits this kind of game by large corporations, national and multinational, despite its adverse effect on international trade and international welfare. In some way it should be controlled by some authority, either national or supranational.

I object to the approach which permits these corporations to play havoc with currencies and with economic situations in various countries. Every time people say that a country has lost the confidence of the international money market they mean that government expenditures in social welfare should be reduced. I hope my friend, the hon. member for Edmonton West (Mr. Lambert), who sits very close to me and is bigger and stronger than I am will not get too violent when I suggest to him that when he says we have to be worried about the confidence of the international money market, that we have to put our house in order, that we have to cut public expenditures, every time he makes these little homilies about countries in difficulty pulling in their horns and straightening out their affairs so as to revive confidence in their currency, he is speaking about nothing else than that the standard of living of the people be reduced. What these people mean is that the expenditures in social welfare and in social security measures should be curtailed and that the investment in new jobs should be reduced. That is what they are talking about all the time, and that is what they mean when they talk about confidence in the money market and setting one's house in order. I am opposed to that. That is what France had to do under the present international monetary scheme, and that is what Great Britain had to do because of its currency difficulties. Instead of being able to deal with their internal economy in terms of the welfare of the people, they were forced by international speculators to tighten their belts, which meant the belts of the ordinary workers in Great Britain and France. This is the way I look at the international monetary system, and I make no apology for it. I am not interested in this blessed mythology, this mystery, this secretiveness of the workings of the international money market.

[Mr. Lewis.]

Perhaps God has given me at least a partially sufficient intelligence to understand how these things operate and I have studied the subject to some extent. But I am not interested in the mechanics of how the people are rooked; I am interested in the fact that they are being rooked by an international system that pays no attention to and is not necessarily a reflection of the economic soundness of a country and the economic objectives of a country. It can easily become the victim of international currency manipulation despite the state of its economy, as has been shown.

My only criticism of the Canadian authorities—and I put it that way because I do not think it is the fault of the minister—is directed at the total Ministry of Finance and at the Bank of Canada, both of which have very competent, if orthodox, men heading them. I appeal to our braintrust in the financial world and in the international monetary world to become a little less orthodox and to look at these problems more in terms of human welfare and less in terms of the mechanism that is involved.

It is for these reasons that we in our party believe that the special drawing rights are a useful addition to the total pool of international reserves; there is no doubt about it. But I venture to suggest they will only be a palliative for a relatively short time.

The suggestions that I have seen in print as to the size of the special drawing rights do not lead me to think that the time will be very long. The addition to the international pool of reserves of what is now proposed does not seem to me in the total picture to be adequate even now. I think there are some other things that we and our financial experts in Ottawa ought to consider. I would be surprised if they have not done so already, but I would ask them to do so with greater readiness. I would ask them to improvise, to insist and to give some leadership on these issues.

The first thing which we should consider is a change in the mentality concerning the fixed exchange rate. The hon. member for Edmonton West made a quite legitimate remark regarding the late hon. member for Nanaimo-Cowichan-The Islands who proposed free or flexible exchange rates. He said that now Mr. McLaughlin, the president of the Royal Bank of Canada makes the same proposal, and what strange bedfellows they are. I think the significant fact is that the hon. member for Edmonton West was not prepared to accept the word of my late

friend, but the moment the president of the Royal Bank of Canada and the economic adviser to the Bank of Nova Scotia say the same thing the proposal becomes feasible, practical and sensible. I say that you do not have to be a genius to see that when there is a system of fixed exchange rates automatically a strait-jacket is put round the world and the speculators have a point at which to aim.

If the speculators know that the Canadian dollar can only go one per cent up or down from 92½ cents, then they know the point at which they can make it uncomfortable for the Canadian dollar. The same thing is true for every other currency on a fixed rate under the International Monetary Fund when permission is given to go up or down within two per cent, one per cent above or one per cent below, without breaking the commitment to the International Monetary Fund. It has always been obvious to me, not only in recent years but over the years that I have studied economics and finance, that this is the kind of rigidity that a growing international economy cannot tolerate; that there should be more manoeuvrability in the rate at which the currency sells in terms of other currencies. This manoeuvrability can then reflect the actual market situation and be responsive to the international trade of commodities and to the invisible trade among countries rather than responsive to some speculative behaviour of corporations and gnomes.

If, for the time being, it is not possible to immediately establish freedom in exchange rates across the industrial world, then you should start with what is called a floating or a crawling peg; in other words in area of, say, five per cent above or below the rate set. This leaves a relatively large area within which a currency can move in terms of other currencies. Speculators would then have much greater difficulty in feeling certain about their speculations, their gambling, because it would then be possible for authorities inside a country to take steps which speculators might not like and by which they would be punished when they began to press a particular currency.

• (5:20 p.m.)

When we have established either a wholly free exchange system across the world, or a partially free system of exchange, there will, of course, need to be measures to prevent national governments manipulating the rates for their currencies for purely selfish national reasons at the expense of other nations. However, I think there ought to be international measures available for the punishment of speculators, and that the International Monetary Fund or some such international agency should be given authority to watch the situation, recommend preventive measures and obtain some reaction from the country affected when speculators are "rooking" the people of the world.

To give an example. When the United States dollar was under pressure some months ago and the price of gold was going up as a result of speculation, the United States government, had it possessed the courage and had the International Monetary Fund been a party to such action, could have punished all the speculators within 24 hours—and it could do so tomorrow—by dumping two or three billion dollars worth of gold on the market. Then, the speculators who intended to make a killing would have found themselves losing a great deal of money. Possibly, having lost a great deal of money once or twice in the course of their manipulations, they would begin to take a different attitude. Instead of being the victims of speculators, either of Zurich or of the international corporations of the western world, governments should act in such a way as to make it painful for speculators to upset, distort and dislocate the economy of the world at the expense of the welfare of its people.

Utopian though this may sound, and Utopian though it is, I want to suggest that it is time we began thinking about an international central bank. One of our basic problems today is that we lack any international agency with the authority to deal with the flow and volume of international currencies in the way in which the Bank of Canada is able to deal with the volume and total amount of money circulating internally in this country. It will take years, maybe decades, before we get to it, but we ought to be thinking now in terms of a genuine international community in this field. We ought to be thinking of setting up an international central bank to which the sovereignty of individual nations would, for this purpose, be given. The bank would have the power and the means to regulate the amount of international currency in given situations and to make the international money market respond quickly to changes in the balance of payments situation and the international trade pattern.

Finally, in the meantime, contrary to what has been suggested by the hon. member for Edmonton West I believe Canada ought to

abandon its fixed exchange rate and adopt a completely floating exchange rate. Let me say to the hon. member for Edmonton West that unless I am mistaken—and I may well be—this would not hurt anybody. With whom is Canada competing? Who are we helping by adopting a pegged exchange rate? What is it we are helping to do? All that would happen if we removed the exchange peg from the Canadian dollar would be that the reserves we must now hold could be used by someone else, by some other country which might need them. The total amount of the international reserves would remain unchanged. Instead of worrying about keeping Canada's reserves at a certain level to back our pegged dollar, we could allow the dollar to reach its own level in line with the condition of the market and international trade flow. We need no longer worry about reserves, except, of course, within certain limits. No country would want to be entirely without some reserves for the support of its currency.

Action along these lines would not only protect our own situation in the international market but it would serve as an example to other countries to get away from the orthodox deification of certain rates being set down and adhered to as though they were symbols of some kind of religion whereas in reality they are part, as I have indicated, of some kind of straitjacket which is of no value to the people of the world and which is of value only to the large corporations and speculators.

No doubt this bill will go to the committee and emerge with whatever improvements the committee can make. The additional reserves will become available and for a short time this exercise will reduce the possibility of international crises occurring on one form or another, for a short time. But, Mr. Speaker, the point of my contention—and this is why I have added my voice to what was said by members of this party on December 3—is that as an important country within the I.M.F., and as an important industrial nation despite the size of our population, we should not be satisfied with these steps. We should look into the possibility of a floating exchange rate and begin to discuss the immediate implementation of a crawling or floating peg.

We should look into the possibility of some international control of the evil behaviour of speculators to the detriment of the people of the world, because only by this total approach can the problem be seriously tackled by the international authorities.

[Mr. Lewis.]

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I would feel guilty if I did not say a few words on the Bretton Woods Agreements and on the bill under consideration now.

While that question, and that of the International Bank are very complicated, and though I am not entirely familiar with them, I would ask the honourable members to forgive me if I err; I was caught off guard and did not have time to really look into the problem. I know however that the International Bank and the Bretton Woods Agreements, like all other national or international banks, are institutions that throw economy off balance instead of steadying it.

Agreements entered into by international banks are governed by almost identical regulations, except that the International Bank, grants no credit, while in the national banks, credit is created with a stroke of a pen.

The International Bank borrows capital from great financial institutions, trust companies, at the current rate of interest, just like all other national institutions that borrow capital on an interest basis. Now the International Bank's rates of interests, like those of the National Bank, are outrageous and this creates an intolerable, a preposterous international situation, for like the national institutions, existing banks are making loans. They lend the initial amount but not the interest, yet they require repayment of it. That is why, on the international front, debts are being repudiated. It happened in France, in England and in many other countries and it will happen again.

Remissions of debts are seen everywhere. It is done at the national level and soon we will see it at the international level. When it becomes impossible to pay back a loan and to pay the interest which was never part of the loan, then remissions of debts are granted.

International agreements such as the Bretton Woods Agreement and many others, are not worth much for the people of the world, Canada or other countries because since we are subject to the same regulations, the same conditions, the same consequences we do not manage to maintain an international or national balance. This is one reason for international deficits as well as national and international bankruptcies.

Mr. Speaker, our financial and economic organization is improperly constituted. The basis of the system is wrong. It must be reformed and if international institutions,

people of the international community, responsible members of government, do not assume their responsibilities, within a few months, a few years, we shall experience a situation even worse than the one prevailing now.

In fact, the French problem is not settled yet it is simply a poultice on a wooden leg and many other countries find themselves in the same situation.

• (5:30 p.m.)

The situation for Canada is every bit as serious. From an international point of view, it is in a very awkward situation. It cannot compete with the other countries, it cannot meet its obligations, and it cannot keep on injecting money into the International Bank, lending it money so that it can help various countries.

The World Bank was set up to help underdeveloped countries and those which were destroyed by war, to give them the help required for their economic, physical and intellectual development.

The International Bank must operate on the international as well as the national level; but now it is operating only half-way; it is not producing the expected results and that situation must be corrected; otherwise, we will witness horrible catastrophes that will have repercussions begging description.

And so, Mr. Speaker, with regard to the myth of clinging to gold as international currency for international exchanges, or else having 25 per cent in gold and the rest in bills, I must say that the Canadian people no longer believe it, nor do several other peoples. The gold myth should also disappear within the United Nations Organization which influences the International Bank and its member countries.

Several countries have signed that international agreement, those Bretton Woods agreements, and all signatory countries are in a bad way. Those which need some loans cannot obtain any, because there is not enough money in the fund, the rates of interest are too high and those which have already borrowed too much and have no credit are unable to borrow. Several countries would like to borrow from the International Bank, but since they have obtained other loans, they are unable to borrow, because their credit is nil. They have no more credit at the World Bank and that does not help matters. Neither does it help, Mr. Speaker, the international situation of the countries which signed those Bretton Woods agreements. Now, the gold myth should no longer exist.

This is what should be done in Canada: As a signatory country, we should demand its total and complete disappearance to which should be substituted a simple debit and credit accounting. When a country shows a debit, it is registered, as is done for a credit. Let us make away with that deplorable international gold situation. It does not render us any service. Even the United States which are among those countries which have particularly taken advantage of that agreement based on gold are denouncing it today. That country believes that it is financially foolish to encourage the use of the gold standard.

In conclusion Mr. Speaker, if we have an International Bank with various member countries, it should be authorized to grant credit, according to the needs, the situation and the possibilities of each country.

The International Bank should be able to extend credit to a country that needs money, but not at the fantastic interest rates known today, that is 5, 5½ and 6 per cent, and sometimes more than 6 per cent, as is the case presently. In granting those funds, the International Bank should make loans to meet the needs of the various countries and charge only for its operating expenses. Then, Mr. Speaker, we could do something for the nation, instead of only creating mountains of debts. Instead of having debts impossible to repay, we would have manageable debts. Instead of lending what does not exist, we would rely on the real value, on the real physical needs of our country and this way, every country could expand normally and operate according to its possibilities, not according to the money that is in the International Bank.

If there are no funds in the International Bank, the development of countries or natural resources has to wait because that famous bank does not serve its purpose which is to lend money issued in accordance with each country's actual and physical capabilities. That, Mr. Speaker is the role and raison d'être of an international bank or of a national bank. As long as this problem is not settled, we shall have to face even worse situations than the one we have to cope with now, because the more the present system is implemented, the more national economies are disrupted. The more that harmful indebtedness system is applied, the more we create insoluble problems of never-ending debts.

This is why we will have further repudiations of debts in many countries. This will also happen in Canada, as our difficulties to

pay the interest on our debt are only beginning. If we borrow money to pay the interest, how will we pay the debt itself and how will we manage to get out of the hole? We will never avoid this horrendous calamity, this fearful chaos created by heartless men who think only of making profits and keeping their control over people and countries, complete control and monopoly, in the hands of a few individuals at the expense of the masses. This is brought about by the Bretton Woods agreements, and there is much to be said about the agreements signed in the past and about the activities of this bank. I have here a whole bundle of documents I could read, but I think many hon. members have read them and I will spare the house all the details, so tedious and complex that many would fail to grasp their meaning.

Mr. Speaker, before I conclude my remarks, I would like to ask the government of Canada to introduce a resolution to the effect that the International Bank, under the Bretton Woods agreements, issue credits according to the needs and the potential of each country, at administration cost. If we do that, we will do something for some countries and enable them to develop in a normal way, according to the facts and their real potential.

• (5:40 p.m.)

[*English*]

Mr. Deputy Speaker: I must inform the hon. parliamentary secretary that if he speaks now he will close the debate.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to thank hon. members of the house who have participated in this debate on second reading for their very interesting contributions to our discussion of this bill to permit Canada to participate in the special drawing rights scheme. A number of points have been raised. I think that hon. members will agree that the most appropriate place to pursue them in greater detail will be in the finance committee of the House of Commons. However, I might attempt to deal very briefly with one or two of the points raised by hon. members.

With respect to the question posed to me by the hon. member for Edmonton West (Mr. Lambert), I am informed that S.D.R.'s can be used by a holder without condition but it is provided that holders are not to use all their S.D.R.'s as they get them and not replace them. There will be a rule that they should hold minimum balances over five year periods on average amounting to 30 per cent of the S.D.R.'s which a country has received. This rule will be able to be changed on the basis of experience in the operation of the scheme.

The bulk of S.D.R.'s received can be used permanently if needed, and this is unlike the method of access to the present International Monetary Fund resources. It would be contemplated, that member countries would distinguish between gold currencies and S.D.R.'s in their reserves.

The hon. member for York South (Mr. Lewis) spoke about the question of an upper limit on international reserves. He may well be pleased to note that, as I am informed, there is no upper limit on the number of amount of S.D.R's that can be created. More can be created at any time by the International Monetary Fund under this amendment to the I.M.F. agreement, which this bill will help put into effect in so far as Canada is concerned. This, can be done when there is a collective judgment by International Monetary Fund members that more reserves are needed.

It is true that the normal practice will be for decisions about changes in the amounts of S.D.R.'s to be taken at five year intervals and implemented annually. As I said, decisions may be for shorter periods and the fund will have the authority to take a new decision at any time. Therefore, contrary to what I understand to have been suggested to the hon. member for York South, there will be no upper limit on the amount or number of S.D.R.'s that can be created and therefore I submit they will be able to play quite an effective role in the development of the International Monetary System.

Again, I suggest to hon. members that we pursue these more detailed questions when this bill is before the standing committee of this house on finance, trade and economic affairs. At that time we will have with us as witnesses officials of the Department of Finance and it may well be that the committee will want to consider calling others, as well. I am sure that in line with the traditions of the finance committee our deliberations will be considered useful for all concerned.

Therefore, Mr. Speaker, I conclude by again urging this house to adopt the second reading of this very important bill.

Motion agreed to, bill read a second time and referred to the standing committee on finance, trade and economic affairs.

PRECIOUS METALS

LEGISLATION RESPECTING DEFINITIONS, MARKING, ETC.

Hon. Donald S. Macdonald (for the Minister of Corporate and Consumer Affairs) moved the second reading and reference to the standing committee on finance, trade and economic affairs of Bill S-4, respecting the marking of articles containing precious metals.

He said: Mr. Speaker, my colleague the Minister of Corporate and Consumer Affairs (Mr. Basford) will be in the house in a few minutes. This bill really has to do with the re-enactment of a measure that has been on the books for some years. The matter has been considered at some length in the other place. The purpose of the bill, as hon. members will have noted, is to make provision for quality standards with respect to certain precious metals.

Mr. Lambert (Edmonton West): We did not know you were to call this bill.

Mr. Macdonald (Rosedale): As was indicated in the other place, it has become desirable over a period of years to modernize the regime with regard to these particular commodities and my recommendation would be, Mr. Speaker, that the matter might be considered fairly rapidly.

• (5:50 p.m.)

On a subject of relatively specialized nature such as this it might be appropriate to give the bill fairly rapid progress on second reading and refer it to the standing committee for further consideration. As hon. members will have noted, the intention is to refer the bill to the standing committee on finance, trade and economic affairs where it could be expected that a fuller explanation would be given with respect to its purposes. Probably a more lucid explanation of the bill can be given by my colleague the Minister of Consumer and Corporate Affairs (Mr. Basford) who, propitiously, has just joined us.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am in the hands of the opposition. I do not know whether the opposition would like a lengthy statement at this time or will allow the bill, which is essentially a housekeeping measure, to go to committee where I would make a statement. This is legislation that we have had in Canada since 1908 to provide for the marking of gold and silver. It is a bill to provide for the marking of gold and silver, but because of technical changes in the industry and in the precious metals business we are revising the act to include two other metals, palladium and platinum, and we are providing for one mark for all four.

As I say, I am in the hands of the opposition. If there is any hope that we could pass the motion before six o'clock I would be happy to make my statement in committee.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, so far as this party is concerned we would be agreeable to passing it before six o'clock but I am not aware of what some hon. members may want to say at this point.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, since this bill is going to land for some strange reason into the catch-all of the finance committee, again with the greatest respect I must ask the government house leader who on earth uses what divining rod to determine where bills go? Yesterday I pointed out to the minister that the finance committee was going to deal with some fishery improvement loans act, which I think should have gone to the forestry and fisheries committee because that is where the expertise is in that subject.

This bill is a matter of interest to consumers, dealing as it does with standards. I would have thought it should go to the committee that deals with matters on the consumer side. In any event we shall have to listen to the minister's statement, but in approaching these bills I think greater care could be used so that the finance committee will not be saddled with a lot of bills that really do not affect is directly. That committee deals with finance and trade.

I also suggest that hon. members can examine the proceedings on this bill in the other place. I presume it went before the Senate banking and commerce committee and that the minister made a statement there. I agree that the bill looks like a standard housekeeping one but it contains one clause that I hope will be buried. With respect to any regulations that the minister makes thereunder these shall be tabled by the minister. Let us have none of this business of relying on the Regulations Act. If we are going to have a committee on delegated legislation let us have it clearly spelled out in the act.

Also I would hope we would not have to introduce another new act if new precious metals are discovered, or some combination thereof, this being the motivation for bringing the present act up to date. I shall now give the remaining two minutes to members

of other parties, and I thank hon. gentlemen opposite for the notice they have given us about this bill.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we all appear to be in the same position as the house leader with respect to this bill, but I think we would agree that the finance committee is not the committee to which it should be referred. In other countries it would be the department of finance that would be involved. In this country it would be the Mint which would decide what the marks were to be and the grade of precious metal.

There is strict legislation in other countries like Mexico, India and Spain which have expert craftsmen in the working of precious metals. These craftsmen and other purchasers can be sure of the content of precious metal in articles manufactured and sold. In Canada, this is not the case.

I believe we should look at this bill from the point of view of the people involved in the manufacturing field and from the point of view of people who buy crafted products. In either case, it should not involve the finance committee. I am not sure which way the bill is oriented, whether it is for the protection of craftsmen or for the people buying their products.

When one goes into Ryrie-Birks today and buys a silver tray there is a mark on it but the mark really does not mean anything. It says it has got a certain value in terms of the silver content, but if you take it back to sell it again it does not seem to have that same content. The mark really does not mean what such marks do in other countries, and I hope the minister of consumer affairs is interested in the protection afforded by these marks to purchasers.

In other countries, one can look at the number on a mark and it represents a given quantity of precious metal in a particular product. But this does not seem to apply in Canada. For instance, if you bought silverware in Canada a number of years ago when the price of silver was 60 cents an ounce you should be able to get a return on your investment now when the price is $1.25 or $1.30 an ounce. But if you take that silverware back to Ryrie-Birks you will find they probably hosed you in the first place because the silver content is very low.

On the other hand, craftsmen entering this field in Canada, even in my area where silver is a readily available commodity, are entering it without the protection necessary with respect to a bench mark that would set the quantity of silver. Both of these matters are involved in this bill, and I do not think the finance committee should be the committee to undertake perusal of the bill.

• (6:00 p.m.)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I do not want to prevent referring the bill to the committee, because I think that it is a matter which must be discussed specifically within the committee. As for the question which has been raised, relative to the choice of the committee, at first sight, it is certainly a matter for the committee on finance, trade and economic affairs and it also concerns consumption. We agree that the bill should be referred to the committee immediately.

[*English*]

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade and economic affairs.

BUSINESS OF THE HOUSE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, would the government house leader confirm whether the schedule of business for tomorrow will be the continuation of what was announced yesterday? We would be pleased if he would announce any variations in advance. He seems to have mixed up the precious metals and fresh fish.

Hon. Donald S. Macdonald (President of the Privy Council): The minister responsible for the freshwater fish marketing bill will be with us tomorrow and, therefore, we will commence business with that particular measure and then have the pleasure again of seeing our colleague the Minister of Corporate and Consumer Affairs (Mr. Basford) on the drug prices bill.

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

HOUSE OF COMMONS

Thursday, January 16, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

DISCUSSION OF NATIONAL DEFENCE POLICY IN STANDING COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been discussions with respect to the work of the external affairs committee and I think there is general agreement in the house that it would be desirable to have a further order of reference to the committee so that it may continue with the order of work that has already been planned. I believe there would be unanimous agreement to the acceptance of an order in the following terms:

That the standing committee on external affairs and national defence be instructed, and hereby is instructed, to hear evidence on and to consider the national defence policy of Canada.

If it is acceptable to the house that could be made an order of the house.

Mr. Speaker: Is this so agreed?

Mr. David Lewis (York South): With respect, Mr. Speaker, may I ask the President of the Privy Council (Mr. Macdonald) why the proposed order is limited to defence policy rather than to defence and foreign policy?

Mr. Macdonald (Rosedale): Well, I gather that has been the subject matter of discussion in various corners. The timetable that has been planned was related to defence policy rather than to the broader area.

Mr. Lewis: With your permission, Mr. Speaker, may I take another moment to suggest to the President of the Privy Council as well as to the chairman of the committee that the information I received from the hon. member for Greenwood (Mr. Brewin) before he immersed himself in French was not to this effect. However, whatever the agreement may have been, is it not better to have both questions considered? You cannot really separate defence from foreign policy and it does not seem very sensible to limit the order in this way.

Mr. Macdonald (Rosedale): It appears, Mr. Speaker, that there is not unanimous consent to the form of the order I suggested. Perhaps, therefore, we could have further consultation later today to find what is acceptable.

RESEARCH

"HUDSON 70"—CANADIAN OCEANOGRAPHIC PROJECT

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to advise the house of a Canadian oceanographic project of significant impact, we believe not only to Canada but to the world. The Department of Energy, Mines and Resources science ship, *C.S.S. Hudson,* will set out from Halifax in November, 1969, on an oceanographic expedition of 41,000 nautical miles and completely encircle North and South America in Canada's first oceanographic venture on a world wide scale. It is interesting to note that this is the first circumnavigation of the two continents by any ship and that the *Hudson* is the only fully equipped scientific vessel to have this capacity. This expedition will be known as "Hudson 70".

Hudson 70 will be a one year expedition through the Atlantic, Antarctic, Pacific and Arctic Oceans. Aboard will be scientists from the federal Department of Energy, Mines and Resources, other federal departments, Canadian universities and American oceanographic institutes and universities. Investigations will range from ocean circulation studies to geological surveys of Canada's continental shelf on its east, west, and northern coasts, and include biological, geophysical, chemical and other oceanographic studies.

• (2:10 p.m.)

The scientific staff will be drawn largely from the Atlantic Oceanographic Laboratory of the Department of Energy, Mines and Resources, and the Marine Ecology Laboratory of the Fisheries Research Board, both at the Bedford Institute. Scientists from other institutions, Dalhousie University, University of British Columbia, Defence Research Establishment Atlantic (Defence Research Board), and other branches of the Department of

Energy, Mines and Resources. Also participating will be scientists from the Massachusetts Institute of Technology, Woods Hole Oceanographic Institution, and the Department of Oceanography of Oregon State University in the United States.

In this age of science, a country of Canada's size must deploy her scientific resources wisely. We cannot afford to be in the vanguard in all aspects of science, and must choose wisely the disciplines wherein we have the capacity and which will be of greatest benefit to Canadians. The field of oceanography is one where Canada does have capacity, and where research can be of great benefit in Canada's future. The Bedford Institute of Oceanography was opened but six years ago, and has already achieved considerable scientific stature. Canada has the longest coastline and thence the greatest potential for undersea resources of any country in the world. These resources, even though yet largely untapped, are the heritage of all of the people of Canada.

Apart from domestic interest, all mankind has a great interest in the development of undersea resources, if the challenge of meeting the needs for food and economic progress in a world whose population is to double in the next thirty five years is to be met. The president of the United States recently urged countries of the world to embark on expanded studies of the world's oceans during the period 1970-80 to be identified as the "International Decade of World Ocean Exploration". The United Nations subsequently endorsed, by formal resolution, this concept and the designated period of 1970-80. This research voyage will be Canada's contribution to the International Decade of World Ocean Exploration.

In accord with the government's intent to achieve closer ties with the countries of Latin America, those South American countries having an interest in these studies and who themselves have facilities in this area, will be asked to participate to the extent that is possible in keeping with the objectives of the mission. I had the opportunity to discuss this possibility with my counterparts in some of the South American countries during the recent Canadian mission. Scientists of my department have already been in communication with Chilean scientists regarding the possible program off the Chilean coast.

A study of the geological and geophysical features of Canada's continental shelves is the prime objective of the northern part of the voyage. Surveys, which will use to full advantage the complex of advanced equipment assembled on board the *Hudson* are being planned in areas off the coast of British Columbia, the Mackenzie River delta, in passages through the Canadian Archipelago, and in Baffin Bay.

The planned geological and geophysical studies in the Arctic will help to assess the mineral and other resource potential of the area, extend understanding of the evolution of continents and of ocean basins, such as Baffin Bay, and test the theory of continental drift. The surveys will form part of the extensive program of geological and geophysical exploration in Canada by the Department of Energy, Mines and Resources; scientists from the observatories branch and the Geological Survey of Canada will be involved in the operations and planning.

In the South Atlantic, South Pacific and Antarctic Oceans, the program consists of closely interrelated studies in biological, chemical and physical oceanography and underwater acoustics, geodesy, geophysics and geology.

Some hon. Members: Oh, oh.

Mr. Greene: I am sorry this is a little over the heads of some of my friends over there, Mr. Speaker.

During the transit of the ship down the Atlantic and up the Pacific, an experiment will be conducted by scientists from the United States in measuring the slope of the ocean surface to obtain information which is vital to the precise calculation of the volumes of water transported by ocean currents.

The ship will spend several weeks in the vicinity of Cape Horn investigating, by new techniques, the circumpolar current, the greatest in the world, which flows around Antarctica and passes between Cape Horn and the Antarctica continent.

The *Hudson* is scheduled to return to Halifax in October of 1970. It may be well known that underwater research in the realm of the oceans will be as important—

Mr. Speaker: Order, please. The Chair has exercised all possible patience in connection with the statement now being made by the minister. He knows of course the provisions of standing order 15. My understanding of this standing order is that statements should be reasonably brief. I have the impression that the minister's statement is unreasonable in

that respect, and I hope he will bring it to a conclusion as soon as possible.

The minister will recognize that it is embarrassing to the Chair to have to remind hon. members of the opposition that according to the standing order their comments on ministerial statements must be brief. It is more difficult for the Chair to do this when we have statements of the length now being made by the minister.

Mr. Greene: Mr. Speaker, I wil conclude forthwith. I think this statement is extremely reasonable, if not brief.

An hon. Member: It should also be intelligible.

Mr. Greene: It is intelligible to those who understand this subject, Mr. Speaker.

It is our belief that Canada can play a full and worthy part in this realm of science. The exciting scientific adventure of *Hudson 70* we believe will be an important step toward this end.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I think unknown to yourself, the minister had practically completed his trip around Cape Horn before you stopped him. He had almost completed his statement, which he kindly sent me earlier. I feel that any comment I could make on the statement would be somewhat anticlimatic because I understand the minister has already had a press conference today on this particular statement, during which he made this statement.

I am sure the minister must find it exhilarating that his first announcement in the house, after his illness, is a pleasant one, rather than one like the unpleasant announcements he had to make when he took over his department earlier this year. I hope this is a good start which will be continued, and that one program after another of this nature will be announced by his office.

The general outline of the expeditions given to the house by the minister can only meet with approval. Canada, with its extensive shoreline and tremendous untapped continental shelf, badly needs more complete knowledge of the ocean and its resources. At first glance one might question the advantage of proceeding into the southern seas and around Cape Horn, but the movement of waters and marine life around the whole continent does affect our own shores. Work around Canadian coastal waters is very important.

In concluding, may I say that the statement by the minister indicates the germ of an idea developing in the science policy of this country. This is an acknowledgement that Canada should select the areas in which we can best develop scientific research, without trying to cover the whole field of science, with the limited resources at our disposal.

I noticed in a newspaper that a similar proposal was made earlier this week by Dr. Hans Selye, a well-known medical researcher. We approve of the theory of this research and the approach which appears to be indicated by this statement, and we welcome the announcement.

• (2:20 p.m.)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am not an expert on science, as is the minister; therefore I shall not say very much about the value of this project. I am certain it will have a great deal of value and much scientific information will be obtained from it. At the same time, it seems to me that while the minister has said that a country like Canada must deploy its scientific resources wisely and that we cannot do everything, it is rather difficult to square this project with other announcements the minister has made in recent months.

The HARP project sponsored by McGill University has been scrapped. The construction of the Queen Elizabeth Observatory in British Columbia was announced at the time of the visit of the Queen. That project too has been scrapped. The ING project, which was to give tremendous impetus to our research in the field of nuclear physics, has been scrapped. Medical research is being hindered by the cut-back in the construction of hospitals.

I think members of the house, especially those on the committee which will deal with the estimates, ought to look very carefully into the question of how much say the science secretariat and the science council had in the decision that this particular project was more important and would bring greater benefits to our country than those which on earlier occasions the minister announced, and which have subsequently been scrapped.

It seems to me that without this kind of information we are left with the feeling that the scientific projects which will be begun in Canada will depend upon which minister speaks the loudest in cabinet meetings, or which person in the treasury department

decides what shall and what shall not be done. I believe we need to be told in detail at some point exactly how the government chooses what shall and what shall not be done.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to congratulate the minister of Energy, Mines and Resources for his statement; however I do not approve the remarks of some hon. members who said that the statement was a little too long. I think that the minister is not to blame but his officials.

First of all, I express to the minister my best wishes to the minister and I hope his health will get better still. I sat on the committee on Energy, Mines and Resources and I noticed that we did not see him very often because of his illness. I hope that he will now enjoy good health and that he will be able to come and visit us quite often.

I think that it would be in order first to congratulate the minister for taking the initiative in doing more research; however, in order that the research intended to find riches in the marine subsoil be profitable, I think it would be urgent for the government to provide for special credits. In fact, I understand that it is a lack of funds which prevents the department from proceeding with its work in the research field.

I would like also the government to think of voting enough money to ensure that the project is carried through and that the industries are prevented from polluting the inland waters.

[*English*]

JUVENILE DELINQUENTS ACT AMENDMENT

AGE AT WHICH PROSECUTIONS CAN BE INSTITUTED

Mr. Kenneth Robinson (Lakeshore) moved for leave to introduce Bill No. C-158, to amend the Juvenile Delinquents Act.

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

Mr. Robinson: Mr. Speaker—

Mr. Speaker: Order, please. I regret I have to advise the hon. member that the bill has already received first reading. The hon. member can give his explanation on second reading.

[Mr. Orlikow.]

MOTION TO ADJOURN UNDER S.O. 26

LABOUR CONDITIONS

UNEMPLOYMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. David Lewis (York South): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), in accordance with the new rule 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 the extremely serious situation confronting the people of this country as a result of the mounting unemployment as reflected in the figures released today by the Dominion Bureau of Statistics. These reveal an increase in December, 1968, of 35,000 unemployed over November, namely 373,000, as compared with 338,000, a number which had already shown an increase of 49,000 over the month of October.

In view of the fact that, historically, unemployment in January and February is significantly worse than in the other months mentioned, urgent consideration of this matter by the house is required so that there may be an immediate opportunity for a discussion of policies to deal with this threatening situation.

Mr. Speaker: The hon. member for York South has given the Chair written notice as required by standing order 26(2) of the new rules of procedure. This has produced a useful opportunity to give the most serious consideration to the hon. member's notice of motion that the house adjourn for the purpose of discussing the subject matter of this motion described as "mounting unemployment as reflected in the figures released today by the Dominion Bureau of Statistics.".

The right to move the adjournment of the house under standing order 26 is subject to a number of conditions. In particular the matter proposed for discussion must relate to a genuine emergency calling for immediate and urgent consideration. This test, applicable to the new rules, was also one of the essential factors to be considered by the Chair under the previous corresponding standing order, namely that there must be a genuine emergency. The word "emergency" has been defined as "the sudden or unexpected occurrence of a state of affairs". This definition indicates that the element of suddenness which was essential under the old rule is also

a requirement under the new standing order 26.

A number of similar motions have been made in previous years. On March 23, 1959 Mr. Speaker Michener made the following ruling:

> 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.

A similar ruling was made by the Speaker on February 17, 1960 at page 1152 of *Hansard* of that day. The Speaker is reported as follows:

> In dealing with this application to interrupt our ordinary proceedings of this day under standing order 26 in order to embark on a discussion of "the grave unemployment situation in the country as revealed in a government press announcement made today," I remind hon. members that this is not a new problem for the Chair. Unfortunately the problem of unemployment is a continuing one and has been a continuing one. As I recall it, motions of this kind have been advanced or attempts have been made to deal with the general problem of unemployment under standing order 26, and I have taken the view in the past that that is not an appropriate procedure for a continuing general problem which this undoubtedly is.

• (2:30 p.m.)

On another occasion, in a ruling made on January 14, 1958, Mr. Speaker stated:

> There has been a great deal of talk about the unemployment situation during this session and I am sure there will be a great deal more without allowing this additional debate which would interfere with the planned routine of the business of the house. Hence, I do not consider it a debate which should be entered upon at this stage.

The Chair recognizes readily that the motion raises a matter which is of importance and urgency. I am sure it is of important concern to all hon. members of the house. However, a careful and objective interpretation of the relevant standing order cannot, in my view, justify the acceptance at this time of the hon. member's motion.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR GOVERNMENT PROGRAM TO ALLEVIATE CONDITION

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to address a question to the Acting Prime Minister arising from the latest statistics on the labour force issued this morning. These show that both the labour force and employment figures registered larger than seasonal declines between November and December and that fully 4.7 per cent of the labour force is unemployed.

Would the Acting Prime Minister tell us whether the government is now reconsidering the policy, as stated by the Prime Minister, to de-emphasize job producing policies in favour of reliance upon training programs, and whether in view of increasing unemployment which is not being offset by the training programs the government will now introduce additional useful programs to alleviate the obviously growing unemployment in the country?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, our programs are designed to produce the maximum of employment both in the short and in the longer range. Certainly, the investment in the manpower training program is designed to equip those being trained to re-enter the labour force in a manner which would be most beneficial to them and to the Canadian economy. I can assure the hon. gentleman that this is a matter of continuing concern to the government, as I am sure it is to all Canadians, and that every possible step within the power of the government will be taken to maximize employment opportunities for Canadians in all parts of the country.

Mr. Stanfield: I presume the answer to the questions I asked is, no. I should therefore like to direct a further question at this point to the Minister of Forestry and Rural Development.

In view of the fact that unemployment in the Atlantic provinces now amounts to 7.1 per cent of the labour force, and that it amounts to 6.8 per cent in Quebec, would the minister inform us whether his department intends to introduce additional useful programs which might be implemented even on a regional basis to lessen the high unemployment rate in those parts of the country?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as soon as I have the pleasure of heading a department created by the house, I will gladly bring in legislation for that purpose.

[*English*]

Mr. David Lewis (York South): A supplementary question, first, to the Minister of

Manpower and Immigration. He may recall that some time before the Christmas recess—I do not remember the exact date—I asked him whether he would consider making a statement to the house shortly on policies designed to deal with increasing unemployment. My memory tells me that at that time he said he would certainly consider doing so, though he did not want my hopes to be raised too high.

May I repeat, now, the question I then asked? In view of the growing unemployment shown by the latest figures, would the minister be prepared to make a statement to the house within the next day or two, as to his policy for dealing with the unemployment situation to which reference has been made?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The policies which have been administered by the department of manpower, and which will continue to be administered by the department, have been explained extensively in the house. Yesterday, for instance, there was an extended answer to a question on the order paper indicating the large sums presently being spent to combat winter unemployment. At the present time there is nothing further that I have to say about the policies of my department, although as to the general question of unemployment I shall continue to give it consideration and discuss it with my colleagues.

Mr. Lewis: A further supplementary question, this time to the minister responsible for rural development. On several occasions the hon. gentleman has been asked about his policies for dealing with regional disparity, particularly in the employment field, and he has told us that when the bill setting up his new department comes before the house, those policies will be discussed. May I therefore ask the hon. gentleman to inform the house when the bill setting up his and other departments will be before parliament, so that we may discuss the whole question of unemployment and regional disparity in Canada?

Mr. Marchand (Langelier): Mr. Speaker, I am probably one of the members of this house who is most anxious to have this bill brought in as soon as possible.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to ask the Acting Prime Minister a supplementary question.

[Mr. Lewis.]

In his previous answer to the Leader of the Opposition, the Acting Prime Minister seemed to consider the adult retraining program as greatly important to prepare those people to hold a position, to get employment in Canada, and I would like to ask him if he is aware of economic regions or Canadian industries short of qualified labour at the present time.

[*English*]

Mr. Hellyer: I think the answer to that, Mr. Speaker, would be, yes. Not more than a few weeks ago, travelling across this country, I visited a number of places where there were jobs available and no men available to take them.

An hon. Member: Name them.

Mr. Hellyer: Thompson, Manitoba, is one of them. There are others, too. I should like to tell the hon. member that the action of the government late in the year in making mortgage loans available through its agent, the Central Mortgage and Housing Corporation, has resulted in tens of thousands of additional jobs for Canadian workers this winter, in addition to tens of thousands of jobs indirectly as a result of house building activity which, during the year just ended, was at the highest level in the history of Canada, even beyond the forecast requirement of the Economic Council.

Mr. H. Russell MacEwan (Central Nova): A question to the minister of trade and industry. I wonder whether the minister, bearing in mind the questions which were asked before the recess, would do his best to accelerate the sittings of the special cabinet committee, which I understand he heads, so as to bring forth policies to deal with the heavy unemployment in shipyards across Canada.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have written recently to the shipyards association calling attention to the advantages which they have, and have had in the past, and asking them to bring forward projects, plans and ideas for their own reorganization, perhaps with help from the government. They are preparing for a meeting now.

Mr. David MacDonald (Egmont): My question is directed to the Minister of Forestry and Rural Development. In the light of the worsening unemployment situation in the Atlantic region and the minister's remarks last fall on a couple of occasions about

immediate projects of some magnitude to alleviate that situation, would the hon. gentleman be prepared to make a statement within the next week or so about those programs specifically, even before the introduction of any measure which would establish a new department of regional development?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. member is aware that we are now negotiating an agreement with the Maritimes. I hope that within a few weeks I will be in a position to confirm that such an agreement has been signed.

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is for the Minister of Transport. It arises from the example he used a few minutes ago, one which brings the problem back to his own doorstep. Does he not realize that the reason prospective employees will not go into Thompson, Manitoba, is that there is absolutely no housing available in the town?

Some hon. Members: Oh, oh.

AIR TRANSPORT

POSSIBLE FATIGUE FACTOR IN JET PILOT OPERATIONS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Can he assure the house that pilots operating Air Canada jet passenger aircraft are never required to be on duty for more than eight hours at a time? I ask this question in view of the report of the Department of Transport made public yesterday concerning the crash of a Boeing 707 airliner last February.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, in view of the sensitivity of this question I should like to check into it before giving a definitive answer to see whether or not there are exceptions to the rule.

Mr. Nesbitt: A supplementary question. Since the minister is making inquiries in this regard may I ask him whether it is a fact that Air Canada jet pilots are usually required to be on continuous duty for 17 hours at a time on the Montreal-Moscow flight, and also are sometimes required—

Mr. Speaker: Order. I suggest to the hon. member that the question as asked is not in proper form. The hon. member is asking the minister to confirm or deny a statement.

Mr. Nesbitt: With respect, Mr. Speaker, I asked the minister whether it is a fact that these—

Mr. Speaker: That is precisely the form in which questions cannot be asked.

Mr. Harold E. Winch (Vancouver East): A supplementary question, Mr. Speaker, to the Minister of Transport. In view of the amazing disclosures in the press release concerning the crash of a Boeing 707 aircraft at Vancouver, will the minister also take under consideration and inform the house whether there will be or is contemplated a tightening of commercial air rules, or possible action against C.P.A. in view of the disclosure to the board of inquiry that errors were made?

Mr. Hellyer: Mr. Speaker, I think it would be best to deal with all of these questions at the same time. I should like to have the opportunity of getting all the relevant facts before replying.

Mr. J. M. Forrestall (Dartmouth-Halifax East): A further supplementary question. When the minister is making his inquiries I wonder whether he would determine if the Department of Transport is satisfied that the non-embarrassment clause in contracts between pilots and our two major airlines is not the cause of the situation that has been referred to in earlier questions.

GRAIN

GLUT AT VANCOUVER—REQUEST THAT BOARD APPEAR BEFORE STANDING COMMITTEE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Minister of Industry, Trade and Commerce. In view of the serious situation developing at the port of Vancouver with respect to wheat shipments, will the minister refer the report of the Canadian Wheat Board to the standing committee on agriculture so that witnesses can be called and the whole matter of grain shipments and exports thoroughly examined?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, a request was made of me to ask the Wheat Board officials to come before the agriculture committee of the House of Commons to answer questions. The officials of the Wheat Board would prefer to do so in March when their annual report will be out and on which questions could be posed by hon. members.

Inquiries of the Ministry

Mr. Gleave: A supplementary question, Mr. Speaker. I can understand the preference of the Wheat Board. However in view of the urgency of the situation which has arisen over the last several months, would the minister be good enough to reconsider this decision in the light of these circumstances?

Mr. Pepin: Mr. Speaker, in view of the urgency of the situation it might be wiser to let the Wheat Board do their job in the west.

Some hon. Members: Oh, oh.

Mr. Pepin: What I am trying to say in the most polite way I can is that there are two ways of looking at the possibility of the Wheat Board officials coming to testify before a committee of the house. At the present time the Wheat Board is very busy trying to solve the glut situation which exists in Vancouver. It is also trying to maximize Canadian exports. Therefore, on balance I thought it might be wiser to ask the committee to hear the Wheat Board officials in March.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. In view of the minister's statement with reference to the Wheat Board not appearing before the committee at this time, and in view of the fact that some eight or nine ships, on which the Wheat Board will be paying demurrage, are waiting to be loaded, will the minister take administrative action at his level to see that dry grain gets into these ships and to export markets before the farmers of this country starve to death?

Mr. Pepin: Mr. Speaker, the hon. member has the advantage of possessing a clear, simple mind. When one looks at this situation in depth and with objectivity one realizes that it is unfortunately more complicated than the hon. member would like it to be. The complication, in very simple words, is that we have here a conflict between two advantages. I can remember the hon. member asking me to see to it that damp grain would be shipped to terminal elevators as rapidly as possible. That was done, and the result is that we now have a glut. We are at the same time faced with a situation where dry grain is required for exports that could not be anticipated, such as added exports to Japan. These could not be anticipated to be at their present level. So priority is being given now to shipment of dry grain to Vancouver in order to remedy the present situation of waiting ships.

[Mr. Pepin.]

REQUEST FOR FINAL PAYMENT

Mr. George Muir (Lisgar): Mr. Speaker, my question is supplementary and is addressed to the Minister of Industry, Trade and Commerce. In view of the tight money situation prevailing on the prairies, due to the lack of grain sales, would he consider discussing with the Wheat Board the desirability of making the final payment on the previous crop year's grain pool at the earliest possible opportunity?

Mr. Pepin: Mr. Speaker, I try to speak to the Wheat Board as often as I can and I will bring this additional subject into my conversations with them.

Mr. Muir (Lisgar): A further supplementary question. Would the minister report to the house as soon as possible on his discussion with the Wheat Board?

REQUEST FOR GREATER DELIVERY OF DAMP GRAIN

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I am going to direct a question to the Minister of Industry, Trade and Commerce, but I should like to inform him that there are boxcars sitting on the sidings at the moment filled with dry grain.

Mr. Speaker: Order. Would the hon. member ask a question.

Mr. Korchinski: I should like to ask the minister whether he would undertake to get some sort of indication from the Wheat Board, and report to the house, whether the farmers can expect to deliver at least the three bushel quota of damp grain that was authorized by the Wheat Board; and whether the Wheat Board expects a further movement of damp grain might be made, possibly before the spring weather.

Mr. Pepin: Mr. Speaker, the answer was given by the chairman of the Wheat Board yesterday in his press conference, as follows:

> We have also had a policy in effect which allows producers advance delivery privileges on damp grain to the three bushel quota level. It is still our objective to try to equalize at a six bushel level but in view of the large quantity of damp grain now in the marketing pipeline, it will be impossible to give any further advance delivery privileges beyond the three bushel quota level for damp grain.

Mr. Korchinski: A further supplementary question. May I ask the minister whether he

expects that any farmer who has not delivered his full three bushel quota of damp grain will be able to make delivery before spring?

Mr. Pepin: Mr. Speaker, I fail to understand the hon. member. I will read his question and try to answer it later.

Mr. John Burton (Regina East): Mr. Speaker, I have a further supplementary question for the minister. In the event that the Canadian Wheat Board is assessed demurrage charges owing to vessels waiting to load grain, will the government absorb those charges so that the cost will not be borne by the farmers?

Mr. Speaker: Order. The question as asked is hypothetical.

[*Translation*]

TRADE

LATIN AMERICA—REQUEST FOR REPORT OF MISSION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce a question concerning another subject matter.

Would he tell the house if a full report on the ministerial mission to Latin America will soon be tabled and if a house committee will be invited to consider it?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Secretary of State for External Affairs headed the delegation. He is therefore to table a preliminary report within a few days, and I am under the impression that he will submit it to the committee on external affairs and national defence.

[*English*]

HARBOURS

SAINT JOHN, N.B.—BERTHING PRIVILEGES DENIED FISHING VESSELS

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I have a question for the Acting Prime Minister in his capacity as Minister of Transport. Has the attention of the minister been drawn to the fact that the Royal Canadian Mounted Police during the last few days have been called in to force Charlotte county fishing vessels to discontinue using public wharves in the port of Saint John and to put to sea, thus placing them in grave danger? If so will the minister explain the cancellation of a privilege which has existed for a good many years. Also, does the minister approve of such drastic action?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this question was brought to my attention just at the moment I came down to the house. The National Harbours Board advises me that this matter is a local one and has been solved at the local level. Port management in Saint John has made arrangements for fishermen to radio berthing requirements into the port prior to arriving, and the harbourmaster will continue to assign berthing to such vessels. I understand that this is satisfactory to the fishermen.

INQUIRY OF THE MINISTRY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister or the Minister of Justice. Either may volunteer to answer. As a result of the implied threat contained in the Prime Minister's statement made in a press conference in London yesterday, may we receive a categorical assurance that the government does not require the R.C.M.P. to inquire into the private lives of journalists and assemble files on them.

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, there was no implied threat. I should like to say that in saying to the members of the press exactly what his feelings were the Prime Minister displayed that kind of courage which makes us on this side of the house proud to serve under his leadership.

Some hon. Members: Hear, hear.

Mr. Robert Muir (Cape Breton-The Sydneys): You said that with tongue in cheek.

TRANSPORT

NORTHUMBERLAND CAUSEWAY—ANNOUNCEMENT RESPECTING CONSTRUCTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Minister of Public Works. In view of the long lead time required in order to take full advantage of the summer construction period, is the minister in a position to say when the government will announce that it is proceeding with the construction of the Northumberland causeway?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, we are not so prepared today.

Inquiries of the Ministry

HEALTH AND WELFARE

OTTAWA-HULL—QUALITY OF ABORTION PILLS IN DISTRIBUTION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in the absence of the Minister of National Health and Welfare and his parliamentary secretary may I direct my question to the Acting Prime Minister. Will he investigate whether abortion pills being dispensed in the Ottawa-Hull area have been given a certificate of quality by the Food and Drug Directorate?

Mr. Speaker: The Minister of Agriculture.

Hon. Paul Hellyer (Acting Prime Minister): While not familiar with these pills, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Hellyer: —I wish to say that I want to direct the question and its related allegation to the attention of the appropriate authorities.

GRAIN

USE OF COMMERCIAL DRYERS AT ELEVATOR POINTS

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I appreciate your recognizing me just now. I was going to reply to a question different from the one just asked.

An hon. Member: Coward.

Mr. Olson: I wish to answer some questions that were asked yesterday and, indeed, the day before yesterday concerning grain dryers in certain elevators. The questions were asked by the hon. member for Regina-Lake Centre (Mr. Benjamin) and the hon. member for Mackenzie (Mr. Korchinski). But by way of answer I wish to say that my information is that there is nothing in the board regulations to impede, restrict or in any way prevent the installation of grain dryers in country elevators. In most instances such installations are prevented by fire and insurance regulations which the companies do not choose to violate. Some companies have hired commercial dryers and some own their own dryers. In most instances these dryers are set up next to the elevator, with adjoining spouts. The Board of Grain Commissioners has no objection to these arrangements.

GOVERNMENT PUBLICATIONS

INFORMATION LEAKED TO PRESS BEFORE PRESENTATION IN HOUSE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Prime Minister which has nothing to do with the matter we discussed previously. It arises from the fact that three government documents which parliament has been awaiting to receive have now been leaked to the press. I refer to the report of the task force on housing, the working papers for the constitutional conference, and information respecting the hazardous products bill. Will the Acting Prime Minister undertake to have these documents placed before the house immediately, so that parliament and the country will have the benefit of the full and official report instead of those selected portions leaked to the news media?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, the hazardous products bill has been approved for introduction in the Senate. I can say that that will happen almost immediately. With respect to the report of the task force on housing, this will be presented to parliament just as soon as it is translated and printed. With respect to the other document the hon. gentleman mentioned, I do not know what in fact happened in that case. However I can assure my hon. friend that it is the position of the government and remains its position that it will produce those documents at the time of the dominion-provincial conference which, I think, would be under the appropriate circumstances. I am as anxious, naturally, as is my hon. friend to know where the information leak came from. Nevertheless it is the government's position that those papers will be produced at the time of the conference.

Mr. Stanfield: A supplementary question, Mr. Speaker. With regard to the report of the task force on housing—and my remarks apply equally to other reports and documents—may I ask whether it would not be appropriate for the government or the ministry concerned to withhold statements as to what would be in such report until it is placed before the house. Has the minister any comment to make about the obvious leak with regard to the report he proposes to lay before the house shortly?

Mr. Hellyer: Mr. Speaker, I think my hon. friend will find when he reads the report that some of the matters of greatest substance have not yet been disclosed.

Mr. Bell: They have not yet been leaked.

Some hon. Members: Oh, oh.

Mr. Hellyer: In a matter as complex and diverse as this there is bound to be a certain

amount of inspired speculation. I think perhaps my hon. friends will appreciate this when they see the total magnitude and complexity of the problem with which we will be faced in a few weeks.

Mr. David Lewis (York South): A supplementary question, Mr. Speaker, which I ask as a result of the question asked by the Leader of the Opposition and the answer of the minister. Will the minister assure the house that these daily leaks—and there have already been quite a number of them—of the report he is to present to the house have been made with his authority. If not, is he prepared to investigate as to who exactly is responsible for giving to the press material that ought to come to parliament first?

Mr. Hellyer: Mr. Speaker, I think the fact that these leaks appeared almost daily has been merely coincidental.

Mr. Robert Muir (Cape Breton-The Sydneys): A supplementary question, Mr. Speaker. While on the subject of leaks, which was brought up by the Leader of the Opposition, may I ask the Acting Prime Minister whether it will be the Prime Minister's policy in future to have a public relations staff leak to the news media of this country anything pertaining to his personal life, as has been happening in the past?

Mr. Speaker: Order, please.

[*Translation*]

HOUSING

REQUEST TO LOWER INTEREST RATE

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

Does the minister or his department intend to make representations to the Central Mortgage and Housing Corporation with the view of lowering the present interest rate of 9⅜ per cent before the 1st of April, in order to give new impetus to the construction industry?

[*English*]

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, this is a question which will have to be considered in the larger context and I am not in a position to give any direct information about it at the moment. But I can tell my hon. friend that the level of interest rates is a matter of concern to the government and, certainly, to all those who are interested in seeing that the very commendable record of lending in the housing field is exceeded in 1969.

Inquiries of the Ministry

CRIMINAL CODE

REQUEST THAT STANDING COMMITTEE REPORT ON INDIVIDUAL SUBJECTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice. Since we shall soon be debating the omnibus amendments to the Criminal Code would the minister be prepared to recommend that the standing committee that will study this bill bring in three or four distinct reports having to do with matters such as abortion, homosexuality, lotteries and the other general terms of the bill, so that the committee could break down the bill into four distinct parts and bring in four reports. Would the minister give some consideration to that and make a recommendation along those lines?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I hope the standing committee in its good judgment will deal with the bill as it finds it.

Mr. Woolliams: Do I take it then that the minister is standing firm in every regard and that the bill will be presented as it is to the house and debated as one complete document?

Mr. Turner (Ottawa-Carleton): Yes, sir.

Mr. Lambert (Edmonton West): The Prime Minister has ordered him to do that.

POST OFFICE DEPARTMENT

REQUEST FOR REPORT ON POSSIBLE WORK STOPPAGE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Acting Postmaster General. Have the discussions between the representatives of the postal workers unions and the department been concluded and, if so, can he report that we are not going to face another work stoppage in the very near future?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I regret to say that the minister is ill to day and I shall have to take the hon. member's question as notice.

[*Translation*]

SPORTS

DECISION BY RUSSIAN HOCKEY TEAM TO PLAY CANADIAN SERIES

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I should like to pass along

information I have just received and that should normally be released by the Minister of National Health and Welfare (Mr. Munro) who is absent at this time. In my capacity as Secretary of State, I should like to break the news by quoting the title of a film: "The Russians are coming... All games but the first will be played on schedule".

[*English*]

An hon. Member: If you stay in power the Russians will come.

CANADIAN BROADCASTING CORPORATION

SUGGESTION THAT RADIO CANADA IS UNDER CONTROL OF SEPARATISTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the very frank and illuminating answers given to my questions yesterday by the Secretary of State, I would like to ask him whether it is the intention to verify the accuracy of the allegation that Mr. Alphonse Ouimet advised the former prime minister that Radio Canada was under the control of separatists, and that there was nothing the management of the corporation could do about it? Is it the intention of the Secretary of State to investigate the accuracy of this allegation?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am now in a position to tell the Leader of the Opposition that I have read the chapter dealing with the history of the C.B.C. but that I have not personally taken any decision as to whether or not an investigation should be conducted with respect to that allegation.

[*English*]

NORTHERN DEVELOPMENT

RIGHTS OF LEASEHOLDERS IN NATIONAL PARKS—SUBMISSION OF DECISION TO APPELLATE COURT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Now that the Exchequer Court has reaffirmed the legality of the leaseholds originally granted in western Canada national parks, what action does the minister contemplate to bring the recent administrative decrees on this matter into conformity with this ruling?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it being a ruling of a court of first instance, the government has decided to appeal in order to have that ruling upheld or quashed.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): As a supplementary question, will the minister assure the house that the civil rights of people in the western parks, whose leases were changed by duress and other means before the decision of the Exchequer Court was given, will be reinstated as they existed prior to that decision?

Mr. Chrétien: Mr. Speaker, the government will reach a decision in connection with all the aspects of the problem once the Court of Appeal has ruled on the matter.

DRUGS

POSSIBLE RESTRICTION IN SALE OF PRESCRIPTIONS IN COMBINATION

Mr. Max Saltsman (Waterloo): Mr. Speaker, yesterday I directed a question to the Minister of National Health and Welfare who indicated he would have an answer for me today. I see the minister is not in the house and I wonder whether he has delegated anyone else to answer my important question regarding certain drugs offered for sale on the Canadian market ?

Mr. Speaker: The hon. member for Fundy-Royal.

Mr. Saltsman: On a point of order, Mr. Speaker, I object to not receiving a reply. I asked an important question and I was assured that it would be answered today. The minister is not scheduled to be in the house tomorrow. Therefore an answer will not be available until next week. I think the government could have extended the courtesy of having another minister answer on behalf of the Minister of National Health and Welfare.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, it is possible that the reply to that question has been made available to me. Unfortunately, as I was not acting yesterday on behalf of the minister, I do not know which question the hon. member has in mind. I may have received the reply, but I do not know which question is involved.

Mr. Saltsman: Mr. Speaker, I will be very pleased to repeat the question. It was about a decision by the food and drug administration of the United States to halt the sale of

six prescription drugs which combine the use of antibiotics and other drugs in fixed ratios. I asked the minister whether any action had been taken to ban the sale of these drugs on the Canadian market.

Mr. Pelletier: Mr. Speaker, again I shall call the attention of the Minister of National Health and Welfare to this matter. No information has been conveyed to me in that respect.

EXTERNAL AFFAIRS

BIAFRA—POSSIBLE CHANGE IN NIGERIAN POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. Would he say whether the Prime Minister's statement that Chief Awolowo is prepared to meet the Biafrans without pre-conditions indicates that Nigeria is now changing its position that peace can come only if Biafra surrenders?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, the reports on this subject and some related matters are not complete. I would suggest to my hon. friend that he might agree it would be better to wait until the Prime Minister is back in the house, at which time I am sure he will wish to make a statement and answer questions based on greater detailed knowledge than we have available at the moment.

EXTERNAL AID

BIAFRA—POSSIBLE EXTENSION OF RELIEF EFFORTS

Mr. David MacDonald (Egmont): A supplementary question, in view of the fact that it is also reported that the Prime Minister has instructed officials of the Department of External Affairs to meet with Biafran representatives in London with regard to possible peace talks, will our representatives be talking about the possibility of expanding or initiating new relief efforts that will be coordinated with government transport?

Mr. Hellyer: Mr. Speaker, I suspect that the talks will not be confined to one narrow issue, but I think it would also be better in this case to wait until we have a complete report from the officials who have been engaged in these discussions.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Secretary of State.

Would he tell the house whether he holds that the economic situation will improve in the province of Quebec in 1969? Does he expect sizeable progress in foreign investments in Canada, and especially in the province of Quebec?

Mr. Speaker: I feel that the hon. member's question as stated is far too general. It calls on a member of the government to make a general policy statement. I consider that such a statement should normally be made on motions.

[*English*]

GRAIN

PAYMENTS TO FARMERS FOR CONDITIONING OF DAMP WHEAT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. In view of the opinion of farm experts that much of the 400 million bushels of farm stored damp grain will spoil, come spring, owing to the slow conditioning of this grain, has the government considered giving a direct payment on a per bushel basis to farmers to have the conditioning carried out and thus prevent a drastic loss to our economy?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not accept the premise that much or a large part of 400 million bushels will spoil.

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, just to satisfy my own curiosity I wish to direct a question to the Minister of Transport. Did he get permission from the Prime Minister to be in attendance today, a day when he should not be here?

Some hon. Members: Oh, oh.

GRAIN

REQUEST FOR SPECIAL TAX TREATMENT OF EXPENDITURES ON DRYING EQUIPMENT

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in the light of the answer the Minister of Agriculture gave earlier today, for which I thank him, I wish to direct a further question to him. In view of the fact

that a number of elevator companies are now prepared to go to additional expense to instal dryers and may lose money on this operation, will the minister and the government consider giving a financial incentive in the form of no sales tax, no duty, and faster depreciation allowances on such equipment installed at country elevators?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, some time ago the Minister of Industry, Trade and Commerce made certain announcements with respect to some of these taxes. There has been no change in the government's attitude with respect to taxes on grain dryers. I do not see any justification for going beyond that at this time. It is up to the elevator companies to decide what is best for their own operations.

Mr. A. P. Gleave (Saskatoon-Biggar): Will the elevator companies be allowed to use these dryers at local points to dry wheat or grain which is held to the account of the Canadian Wheat Board?

Mr. Olson: I will look into that. However, that raises some pretty complex problems about wheat shrinkage and that sort of thing.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

FAILURE TO FILE RETURNS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to direct this question to the Minister of Industry, Trade and Commerce. In view of the number of corporations that have failed to file returns for the years 1965, 1966 and 1967 under the Corporations and Labour Unions Returns Act, does the minister intend to penalize those companies which are guilty under the act?

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

CONSUMER AFFAIRS

MISLEADING ADVERTISING RESPECTING STAMMERING AND STUTTERING

Mr. Max Saltsman (Waterloo): Mr. Speaker. my question is for the Minister of Consumer and Corporate Affairs. Has he received a communication on misleading advertising concerning the treatment of stammering and stuttering and, if so, does he intend to look into this?

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

[Mr. Benjamin.]

BUSINESS OF THE HOUSE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I have the permission of the house to ask the President of the Privy Council as government house leader what business the government intends to introduce for the balance of this week and next week?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. I have had consultations with other groups. I gather that at the moment there would be no wish to have an opposition day under standing order No. 58 called during the coming week. Subject, therefore, to any unforeseen contingencies and depending on the progress which occurs on each particular item, I propose the following order of business. As previously announced, the items of business to be called today would be in the following order: First, item No. 30, second reading of Bill C-148, in respect of the Freshwater Fish Marketing Corporation; second, item No. 13, second reading of Bill C-102, in respect of the Patent Act, the Trade Marks Act and the Food and Drugs Act; third, item No. 17, second reading of Bill C-153, to amend the Historic Sites and Monuments Act; fourth, item No. 9, second reading of Bill C-151, to amend the Fisheries Improvement Loans Act.

With regard to the Fisheries Improvement Loans Act amendment I have noted the observation of the hon. member for Edmonton West (Mr. Lambert) recommending that the bill be referred to the standing committee on fisheries and forestry, even though it comes under the Minister of Finance (Mr. Benson) and involves the chartered banks. Therefore I intend to propose an amendment to the second reading motion to refer the bill to the standing committee on fisheries and forestry. The Minister of Fisheries (Mr. Davis) will be responsible for conducting the bill.

Tomorrow we will again call the freshwater fish marketing bill and the drug price bill, if these have not been given second reading. Then we would call item No. 37, second reading of Bill S-3, to amend the Canada Evidence Act. If those items are dealt with before the close of business, my colleague, the Minister of Veterans Affairs (Mr. Dubé), would be prepared to move second reading of Bill C-152, to amend the Veterans Land Act.

On Monday next we would call in this order the Historic Sites and Monuments Act and the Veterans Land Act amendments, if they have not been dealt with, and would

then call item No. 36, second reading of Bill S-15, with respect to amendments to the Food and Drugs Act and related statutes.

On Tuesday next we would call the first reading of the fisheries improvement loans bill, if that has not already been dealt with, and then the bill to amend the Veterans Land Act. That would be followed by item No. 33, second reading of Bill S-14, to amend the Aeronautics Act, and item No. 41, second reading of Bill S-19, to amend the Navigable Waters Protection Act. Prior to the close of business on Tuesday and depending on the progress of the items already announced, I will be in a better position to indicate what the business will be on Wednesday. In any event I would propose on Thursday to call for second reading item No. 40, second reading of Bill C-150, the omnibus Criminal Code amendment bill.

With regard to the timing of business in committees I can advise the house that it is expected that the estimates for 1969-70 will be available for tabling by the end of this month. After consultation with the opposition parties we would propose to refer these to the standing committees by the middle of February. It would be desirable, therefore, for those standing committees which have legislative business before them to be in a position to complete their work by February 14 so that they may commence after that date their consideration of supply business. There will, of course, be exceptions to this general guideline as progress takes place.

Mr. Baldwin: Do I understand from the hon. gentleman that, irrespective of the progress made next week, on Thursday next it will be the intention of the government to call the item dealing with the omnibus Criminal Code bill, C-150? Do I understand that this will be called as the first item of government business next Thursday?

Mr. Macdonald (Rosedale): Subject to any unforeseen contingencies, that is correct.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in view of the urgency involved, would the hon. house leader consult with the Minister of Industry, Trade and Commerce some time between now and next week to arrange for the introduction of the bill that is necessary in order that advances may be available for the drying of grain?

Mr. Macdonald (Rosedale): Discussions with regard to that measure are already in progress. I am not sure what the exact timing will be.

GOVERNMENT ORDERS

FISHERIES

ESTABLISHMENT OF FRESHWATER FISH MARKETING CORPORATION

Hon. Otto E. Lang (for the Minister of Trade and Commerce) moved second reading and reference to the standing committee on fisheries and forestry of Bill C-148, to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation.

He said: Mr. Speaker, Bill C-148, to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation, has had some discussion in the house. Indeed, it had the interesting honour of occupying the time of the house on the last occasion a resolution stage was debated before the change in the rules which eliminated that stage of debate. In my remarks, therefore, I will not repeat what was said about the proposed bill. I might point out, however, what are the general objectives and the principle involved.

In collaboration with the provincial governments the federal government's objective is to establish an effective marketing board for freshwater fish produced in the prairie provinces, the Northwest Territories and northwestern Ontario. In order to accomplish this purpose a crown corporation with necessary powers to trade in fish and fish products is to be created. The corporation is desirable in order to serve the purpose of developing markets and sales for the production from these areas so that the corporation on its own account, where necessary or where it is deemed desirable, can join with private industry in developing the potential of this industry.

It is expected the corporation will operate jointly with private industry where private industry can fill an effective role with regard to processing and distribution. Through the intermediary of agents it is anticipated the corporation will purchase direct from the fishermen the catch in these areas and that it will then sell the resulting production. Though the powers given to it by this bill, it will be in control of the marketing of fish for export and for interprovincial trade. The commission will also have the power to obtain by consent from the provincial governments, and the government on behalf of the

territories, similar powers regarding marketing within the provinces and the designated areas themselves.

• (3:20 p.m.)

In addition to attempting to develop and expand the markets for freshwater fish, the corporation will engage in efforts to rationalize the operations of the industry for the benefit of the fishermen whose difficult position was one of the very strong motivating factors in producing and initiating this particular bill.

Years of study have gone before this bill, including work done by the McIvor commission and studies by provincial governments and dominion-provincial conferences. The objective is to obtain a more rational industry, a more stable situation, a better marketing practice and, through all these, a better share for the fishermen of the money which is to be obtained from this valuable product.

The real and ultimate purpose of this government and the provincial governments concerned is to create a totally new environment in this sector of the freshwater fisheries, and environment which will again be attractive to capital investment so that the whole organization of the industry may be changed. There are some 6,000 or 7,000 fishermen who obtain employment in the freshwater fisheries, many of whom at the present time are living at or near subsistence levels. Many of them are Indians or Métis.

The objective is that through this corporation and the regulation of the industry a better market and better prices may be obtained and that through rationalization of the industry a better return may be available to the fishermen. Through the co-operation of the provinces and the legislation which they will enact the corporation will be the effective purchaser of the commercial product for this wide area of the freshwater fishery. The corporation will be in a position to take steps to expand markets at home and abroad and to improve the quality of the product and the dependability of that product, which in itself is an important factor in improving markets and prices.

The corporation will be under the supervision of a board of directors with members appointed by the governor in council, with some of them nominated by the lieutenant governors in council for the interested areas. There will be an advisory committee which is expected to include representatives of the industry in the widest sense, from all its parts, so that the corporation may have in this form some direct communication with the affected people and, in particular, with the fishermen. It will know quickly at all times the reaction to its efforts in the areas concerned.

The provinces will continue to be responsible for the administration of the fisheries themselves; that is to say, for the basic responsibility for conservation and similar matters. This will remain with the provinces. The corporation will not produce quotas. This will result, if it results at all, from the conservation measures taken by the provinces acting under their jurisdiction. It is to be expected that the corporation and the provincial authorities will be in close contact on these matters, but the corporation will have the basic responsibility to purchase commercial catches in the areas and to use the best possible commercial means of taking these catches to market in the most rational manner.

This is an industry that has been in need of action for some time. It is an industry which can only be successfully helped through the co-operation of the federal and provincial governments concerned. It is hoped that with the fruits of these efforts and co-operation, this corporation will do a great deal to improve the status of the men who work in the industry.

The corporation has been given powers broad enough to enter into the necessary commercial aspects of this venture, to ensure good and sound marketing practices and the best possible return to the fishermen and the industry. This bill is expected to be a very important milestone for the freshwater fish industry in Canada and I am delighted to move its second reading at this stage.

Mr. Alkenbrack: Mr. Speaker, may I ask the Minister without Portfolio why the fishermen of southern Ontario, particularly those on lake Ontario, are excluded from the proposed benefits of this bill?

Mr. Lang (Saskatoon-Humboldt): The particular areas of the fishery covered by the bill represent the result of discussions with the provincial authorities concerned. These are the areas of the freshwater fishery in respect of which, in the opinion of the provincial authorities, there seems to be a very definite need for help at this time.

Mr. Peters: Mr. Speaker, before the minister resumes his seat I should like to ask whether the corporation will have monopoly

control in those areas designated by the provinces for inclusion under the provisions of this fish marketing enactment?

Mr. Lang (Saskatoon-Humboldt): In the areas concerned it will have a monopoly as a result of the combined provisions of this act, which gives it a monopoly in regard to any purchase for sale or export abroad or for export from one province to another, whether or not within a designated area, and the provincial legislation in respect of all the concerned designated areas covering the sale of the products within the boundaries of the provinces. That will give it a complete monopoly on the purchase of fish within the areas concerned.

Mr. Peters: In provinces where there may be internal sales, have the provincial governments agreed to implement legislation which will allow the equalization of interprovincial and export sales as well as local marketing by this corporation?

• (3:30 p.m.)

Mr. Speaker: Order, please. I wonder whether hon. members might not feel that we are reviving committee of the whole at this stage. It seems to me that some of the questions asked and the type of discussion we are beginning should take place when the bill is considered in committee, if it is referred by the house to the committee.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, we have passed the resolution dealing with the regulations covering interprovincial and export trade in freshwater fish, and Bill C-148 to establish a Freshwater Fish Marketing Corporation received first reading on December 18. At that time a number of speakers from the official opposition as well as other members spoke extensively on this measure, and questions were asked which have now been answered by some sections of the bill.

It is my understanding that it is the government's intention to refer this bill to the standing committee on fisheries and forestry where it will receive a thorough, clause by clause study. Therefore it is not my intention to speak at great length on the measure at this time. However, there are one or two points with which I shall deal briefly, especially since the bill raises some doubt about the overlapping of authority between the Freshwater Fish Marketing Corporation and the saltwater fish industry.

As I stated previously, this bill sets a bad precedent in that it implies that only our inland fisheries are facing economic difficulties. During the Christmas recess I had an opportunity to visit my constituency and was told that the landings of the groundfish and shellfish industries of Nova Scotia would for the first time in history exceed 700 million pounds with a value in excess of $50 million. These are the figures for 1968.

I am also informed that these tremendous advances in volume and value were made against a groundswell of falling prices for frozen and salted groundfish, and that three or four species, namely herring, scallops, lobster and the new queen crab industry, have enabled our processors to stay in business and remain solvent. The old, historic backbone of the saltwater fishing industry is broken. Here I refer to groundfish species such as cod, haddock and pollock, which are being purchased, processed and sold in many cases at less than the cost of production owing to the devaluation of foreign currencies and excessive competition in our major market, which is still the United States.

All the facts pertaining to this situation have been made available to the Minister of Fisheries (Mr. Davis), the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister without Portfolio (Mr. Lang) and the rest of the cabinet, but unfortunately we have to date heard nothing from the government that would give encouragement to the fishermen of the Atlantic provinces who are literally fighting for economic survival with their backs to the wall. Even the so-called band-aids for the saltwater fishing industry have been removed and nothing has been put in their place. For example, we no longer have the salt rebate assistance program, and for the benefit of the Minister of Public Works (Mr. Laing) I would point out that dredging, construction and the maintenance of wharves and skidways, which are essential to our fishermen, have been seriously curtailed.

In view of the fact that the income of fishermen is declining, the government's attitude can only be construed as one they have adopted from Rowan and Martin's "Laugh-In", where "sock it to me" is the big event of the night. "Sock it to the fishermen" seems to be the attitude of this government with its recent announcement that wharfage, storage rates, berthage, wintering and laying-up charges for shipping and fishing interests have not been altered for ships up to 100 feet in length but for those over 100 feet in length we understand that the increase in these

charges will bring to the government an additional revenue of approximately $300,000 next year.

I ask the Minister without Portfolio, the Minister of Fisheries and the other ministers of the government, where in the name of heaven do they think the money will come from with which to pay these increased charges? Fishermen's incomes have declined and they are not in a position to pay any additional charges of this nature. I warn the government that its present policies with regard to the Atlantic provinces, and especially its lack of policy with regard to our major, primary fishing industry, cannot be continued indefinitely without creating major social and economic problems in our area.

Our Atlantic coast fishermen are crying out for the protection which would be afforded them through the implementation of Canada's Territorial Sea and Fishing Zones Act which which was passed under a Liberal government in 1964. When can we hope to see the geographical co-ordinates established and the base lines drawn so as to give protection to the new, queen crab industry, for example, which in Nova Scotia alone had last year an estimated landed value of $1 million?

Mr. Speaker: Order, please. I consider it my duty to interrupt the hon. member to remind him that the bill being considered by the house at this time deals with export trade in freshwater fish. The hon. member has in his remarks strayed some distance from the bill before the house. If he is allowed to make this kind of speech, other hon. members would be able to discuss salmon fishing in the Pacific, for example, and the general policy of the government regarding saltwater fish.

If the Chair allows the hon. member to continue along these lines it will be impossible to prevent other hon. members making speeches dealing with fishing in Newfoundland, on the west coast and in our salt waters generally. I would think that the hon. member, having made his point in a rather strong fashion, would want at this stage to return to the matter before the house, which is export trade in freshwater fish and the establishment of the Freshwater Fish Marketing Corporation.

Mr. Crouse: Thank you, Mr. Speaker. It is rather unusual for one from the east coast to get off course, but it happens once in a while. Perhaps the cold, winter weather has somehow affected my magnetic compass. I wanted to relate some of the problems of the east coast fishing industry to this bill. In a few moments I shall deal with the bill itself and hope to relate the problems of the saltwater and freshwater fishing industries; therefore my remarks will be relevant to the bill.

The fishermen on Canada's Atlantic coast are asking in all earnestness when the government will take some action with regard to the problems I have mentioned. They face real problems because of the scarcity of fish on our inshore banks, coupled with the low prices they are receiving for their catch. Many of them realize they must go farther out to sea if they are to catch sufficient fish to provide a livelihood for their families.

Mr. Speaker: Order, please. The hon. member cannot simply disregard what has been said by the Chair. If there is to be order of debate, the hon. member's remarks should be relevant to the bill now before the house. The hon. member's remarks are entirely irrelevant and I do not propose to allow him to continue along these lines.

Mr. Crouse: Thank you, Mr. Speaker. I mention the problems of the east coast fishermen and the promises made to the industry because there is a relationship between that situation and the promises made in this bill. Having read the provisions of Bill C-148 I cannot help wondering whether it will also fall short of its promise to our inland fishermen. The bill calls for a board of directors for the corporation, composed of a chairman, a president, one director for each participating province and four other directors each of whom shall be appointed by the governor in council to hold office for a term not exceeding five years. In addition, the board may employ such officers and employees as it considers necessary, and while the head office of the corporation will be in the city of Winnipeg, meetings of the board may be held in other parts of Canada as the board may determine. All of this expense, plus a paid advisory committee of 15 members, will be incurred and yet under clause 15 of part I it is stated that:

• (3:40 p.m.)

> The corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament.

Under the former system of marketing the fishermen in this segment of the freshwater fishing industry received approximately 50 to 60 per cent of the export price. This was small indeed, but it will be interesting to read the annual report of this corporation, which I note must be prepared and submitted to the

Minister of Industry, Trade and Commerce within three months after the end of each financial year, and compare the percentage of return received by the fishermen vis-à-vis the return which they formerly received.

At the present time the marketing of Canadian freshwater fish is of major concern to some 7,000 fishermen, more than 300 dealers, and close to 100 exporters. Most of the freshwater fish produced in western Canada and in northern Ontario, mainly pike, pickerel, sauger, lake trout and whitefish, requires the participation of all three levels. However, I note at page 11, clause 25, it is stated that this legislation applies to Alberta, Saskatchewan, Manitoba, Ontario and the Northwest Territories, and that the provinces concerned must undertake to make arrangements for the payment of compensation to the owner of any plant or equipment in the plant which may be rendered redundant through the operations of the marketing corporation.

This section of the bill raises a number of questions. Since Manitoba, for example, has a large number of plants compared with Saskatchewan, what federal process will be used to equalize the cost of purchasing redundant plants in these various provinces? I should like to put this question to the Minister Without Portfolio (Mr. Lang) who is piloting this bill through the house.

Another question that comes to mind is the effect that this legislation will have on present plant owners in the provinces concerned. Who will decide, for example, which plants will be retained and which plants will be classified as obsolete? Will the owners of obsolete plants be given a time limit in which to bring their plants up to a certain standard before the government inspector steps in and declares the plant redundant? Is it the intention of the government to declare a number of plants redundant as soon as this legislation is approved and, if so, what preparations are being made for those employees in the plants whose livelihood will be affected? As we have heard today from the hon. member for York South (Mr. Lewis), unemployment has reached dangerous levels, and so I ask the minister whether any plans have been made to take care of these people who will become unemployed.

I noted, for example, that under this legislation wide powers will be granted to the fish and plant inspector appointed by the Governor in Council. At page 12 of the bill the inspector is authorized, at any reasonable time, to enter any place or premises that he reasonably believes is being used to store, pack, process or prepare fish for market or shipment, or any vehicle, trailer, vessel, railway, car or aircraft that he reasonably believes is being used to ship or convey fish to market. He may open any container found therein or examine anything found therein that he reasonably believes contains any such fish, and take samples thereof. He will have to be a very reasonable man. It seems to me that the government, by introducing this clause in the bill, is anticipating something less than 100 per cent co-operation from the fish processors and will be taking every possible action to control the entire freshwater fishing industry.

The entire bill is, of course, based upon the report of the commission of inquiry into freshwater fish marketing problems as submitted by Commissioner George H. McIvor, following his appointment in July, 1965. In his report, Mr. McIvor made 17 specific recommendations for the improvement of the freshwater fishing industry, and most of his suggestions are incorporated in the present bill. In fact, his first recommendation is that the interprovincial and export movement of fish and fish products and the sale of same for export or interprovincially should be prohibited except by the board, which should also have the authority to control imports. These recommendations are incorporated in the bill under clauses 20, 21, 22, 23 and 24.

The granting of an outright monopoly to the board covering the complete control of the import and export of fish in the provinces of Alberta, Saskatchewan, Manitoba and Ontario, plus the Northwest Territories, raises certain questions. I was rather surprised at the answer given to the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) that the bill does not include the southern sections of Ontario. As I read the bill, and I have read it carefully from cover to cover, there is absolutely no mention of a definitive area in the province of Ontario being excluded. I would like further clarification from the minister at a later date on that particular point.

The granting of this monopoly compels all fishermen in these designated freshwater areas to sell their fish to the corporation, even though some of them residing on Lake Erie or adjacent to the United States border may prefer to continue marketing their catch directly to their old customers in the United States or in Quebec rather than through the corporation.

The purpose and powers of this corporation are far-reaching. The authority of the corporation is set out in clause 7 of the bill on page 4 under nine different headings and comprises the following:

The Corporation is established for the purpose of marketing and trading in fish, fish products and fish by-products in and out of Canada and, in addition to the powers conferred by any other Act and by other provisions of this Act, has for that purpose power to

(a) buy fish and dress, fillet, freeze, package or otherwise prepare fish for market;

(b) buy, manufacture or produce fish products and fish by-products and package or otherwise prepare fish products and fish by-products for market;

(c) store, ship, insure, import, export, market, sell or otherwise dispose of fish, fish products and fish by-products bought, prepared, manufactured or produced by it;

(d) purchase, lease or otherwise acquire and hold, pledge, mortgage, hypothecate, sell or otherwise deal with any real or immovable property;

(e) establish branches or employ agents in Canada or elsewhere;

(f) invest any money in its possession or control that in its opinion is not immediately required for the purposes of its operations, in securities of or guaranteed by the Government of Canada and sell any securities so acquired by it and re-invest the proceeds thereof or any part thereof in like manner;

(g) borrow money from any bank upon the credit of the corporation;

(h) make loans of working capital on a seasonal basis to persons engaged in fishing for commercial purposes in a participating province; and

(i) do all such other things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under this Act.

However, I would point out that in all of this part the bill refers to fish when defining the purpose and powers of the corporation, and it is not until you reach part III on page 9 that you find the following words:

In this Part except section 31,

(a) "fish" means round, dressed or filleted fish of any species enumerated in the Schedule—

So there can be no mistake as to the powers and purpose of this bill, I suggest to the minister that under part III, clause 20, the wording be changed to read:

In this bill except section 31 which deals with offences and penalties, for the purpose of this Act fish shall be freshwater fish of the kind defined in the Schedule of this bill.

This wording would be very definite and would take away any doubt with regard to the authority granted to the corporation under this bill.

Another question that arises covers import and export control and the authority granted the corporation. In clause 21 on page 9 we read these words:

Except in accordance with the terms and conditions set forth in any licence that may be issued by the Corporation in that behalf, no person other than the Corporation or an agent of the Corporation shall

(a) export fish from Canada;

(b) send, convey or carry fish from a participating province to another participating province or to any other province;

(c) in a participating province, receive fish for conveyance or carriage to a destination outside the province; or

(d) sell or buy or agree to sell or buy fish situated in a participating province for delivery in another participating province or any other province, or outside Canada.

• (3:50 p.m.)

I cannot but wonder whether this export-import control applies only to freshwater fish and fish from other countries or whether it also applies to saltwater fish shipped to markets in central Canada. The words here are quite definite:

No person other than the Corporation or an agent of the Corporation shall ... (d) sell or buy or agree to sell or buy fish situated in a participating province for delivery in another participating province or any other province, or outside Canada.

I ask the minister this question: will it be necessary for Canadian saltwater fish processors to forward all their orders to the corporation for distribution to their customers in the four provinces and one territory, or will the supermarket chains and regular customers for saltwater fish products be permitted to make their saltwater fish purchases without going to the corporation? I point out in passing that the corporation would, of necessity, make a charge in connection with its part of the transaction thereby increasing the cost of saltwater fish to consumers.

There are other questions I could raise but these can be discussed in committee. Since we have never before witnessed a monopoly of this type in the fishing industry of Canada, I trust the minister will deal with some of the points I have brought up concerning matters which are vitally important to our fishermen, to fish processors and to Canadians generally who are interested in the economic well-being of this important primary industry.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I should like to compliment the Minister without Portfolio (Mr. Lang) on his venture into socialism. In 1945 or thereabouts, when similar legislation was introduced in Saskatchewan, the Liberals there said: "Ah, this is compulsion, this is communism." Well,

it is nice to know you have converted the opposition. I should like the minister to know that I support this measure, and I wish him well in its operation.

The success of boards such as the one now proposed tends to reflect the ability of their members and the importance attached to them by the minister and the government concerned. I suggest that the Canadian Wheat Board has reflected at various times the attitudes of Mr. C. D. Howe and Mr. Alvin Hamilton. Possibly it now reflects the ideas of the Minister of Industry, Trade and Commerce (Mr. Pepin), though I wonder about that when I see that Canada's share of the world wheat market has dropped from 25 per cent to 20 per cent.

As I say, the success of such boards depends to a large extent upon the quality of the people who constitute them and direct them. No act of parliament is any better than the government which puts it into effect or enforces it. Those to be appointed to such boards should be chosen with great care. It might be that candidates perfectly suitable at one period of time would not be suitable at another. To refer again to the Wheat Board as an example, it might well be that an ex-air force type would be suitable for dealing with a foreign government in connection with grain trading but far less qualified when market conditions changed and he was called upon to sell to private buyers on a tough commercial market, with the emphasis upon developing different tastes and catering to them. This is true of the fishing industry. Board members must be aware of the problems of the moment; they must be prepared to change their tactics with regard to the selling or processing of fish as need may arise.

I should like to say a few words about selling. When the Minister of Fisheries (Mr. Davis) was discussing the saltwater fisheries some time ago he laid some emphasis upon the production of fish protein and similar products. After he had finished my reaction was to go to the dining room and order a lamb chop. I do not think this is the response which a minister of fisheries should provoke. He should be enthusiastic about the product, and I suggest that the Minister without Portfolio should be prepared to discuss fish in such a way as to leave his listeners with a desire to eat some. In this connection, perhaps I ought to mention one of the members from British Columbia who is involved in selling chicken products. Whenever the subject is raised with him, a light seems to go on automatically and by the time he has finished talking about it his listeners all want to eat chicken. This is the effect that the Minister without Portfolio, who I understand will be in charge of this operation, should attempt to produce. When he gets through talking about fish we should all want to eat some.

While I am on this subject there is one other matter I should like to mention. At one time I had a meal of whitefish in the town of Lac la Ronge. What the cook did to that fish should have qualified him for jail. I am not sure how one can get round that sort of thing.

An hon. Member: A recipe book.

Mr. Thomson (Battleford-Kindersley): I suggest that the minister and the board should be developing new types of recipes and ways of preparing fish so that they may be even more attractive to the palate. The public, in turn, should be encouraged to use these recipes. I hope the minister will also encourage the canning of fish in ways which will develop new markets for fish products. We are all aware of the importance of canned tuna fish and canned salmon to both our export and home markets. I trust the minister will explore the possibility of developing these markets still further through advances in the canning industry.

After perfecting the recipes to which I have referred the minister and the board ought to be prepared to tour the country and speak to housewives and representatives of the food industry all over the nation, and in the United States if necessary, about the advantages of eating fish. I wish the hon. gentleman well in his new department and in his relations with the new fisheries board. I trust the establishment of the board will result in a larger income to fish producers in the areas concerned, increased market stability, a higher income to all concerned and a more effective industry generally.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, this bill really puzzles me.

Indeed, several questions come to my mind when I notice, first of all, that it deals with a program in which only four out of ten provinces have agreed to participate. I wonder why it is so.

With regard to Quebec, I think I know the answer. Quebec keeps a jealous watch over those fields in which it has—or at least it believes it has—exclusive jurisdiction, such

as fresh water fisheries, for instance, which have always been considered as a solely provincial matter.

• (4:00 p.m.)

Now, if Alberta, Saskatchewan, Manitoba and Ontario deem it advisable to set up that Corporation, why do they not get together to do so? It would then be possible to prevent the Corporation from favouring certain provinces unduly. I agree whole-heartedly that the various areas should co-operate in improving marketing conditions in that industry. But, what I would like to know is whether that Corporation which in a way will regulate operations in four provinces, will not hamper the same industry in those provinces which are not members of it? Will not the taxes levied in Quebec be used to help the fishing industry elsewhere, to the detriment of the Quebec industry, which is extremely well off?

When this type of bill is proposed, I wonder whether we should not wait until there is agreement between all the provinces, in order to be sure that each will get a fair deal. I feel that this is another example of what often happens when the government seems to look for excuses to interfere in provincial affairs.

The government might perhaps make suggestions, but most of the time, it could wait until the provinces ask for a thing like this.

It would certainly be a good thing in my opinion, if trade pertaining to the freshwater fish industry were coordinated across Canada. Such coordination, however, would require the co-operation of all contracting parts. Such are the questions that come to my mind.

There have been endless discussions, which reached their peak in December, about ways of accelerating the proceedings of the house.

There is a very good way to achieve that. It would be, for Ottawa, to mind its own business and to let the provinces take care of their own problems. If matters under provincial jurisdiction happen to need coordination or planning, it will be up to the provinces to seek the co-operation of the federal government, if necessary. The reason why we are always short of time, to the point of considering the possibility of limiting debates under section 16A, is that there are several fields where the federal government concerns itself with matters that are none of its business. If one would confine oneself to one's own field, I think we might settle, partly at least, the problem of speeding up the proceedings of the house.

[Mr. Matte.]

I would like all these questions to be answered, so that we may know why some provinces do not co-operate. Of course, those which do not have such an industry are not interested and this is most understandable. In other fields, however, it should be possible to establish bodies to deal with all the business of all Canada. Of course, in areas where there is no such industry, the province would not be interested. However, in the case of an industry such as this particular one—and we know that in a state like Quebec it can grow into a very prosperous one—I wonder why the federal government, whose field it is, suggests establishing a Corporation which will deal only with the provinces that agree to co-operate.

Therefore, it is advisable to give it serious consideration before passing such a bill; consideration must be given to any possible consequences and if we do not watch for those things, we will have once more to bear with recriminations from Quebec and once again the rest of Canada will have the opportunity to say: If things are not going well in Quebec, it should simply get organized as we are, and so on.

When the federal government has to spend money, it must do it equitably. We must of necessity be just in the sense that when the federal government deals with matters which are not of particular concern to it, we must reach an agreement with all the provinces, and not with just a few, before legislation is passed. It is this point in particular which I want to emphasize.

I would not want the provinces concerned to think that we are opposed to the progress of this industry but if four provinces and one territory are interested in the setting up of that Corporation, they should do it themselves, and the federal government should not do it alone without the previous consent of all the provinces.

I should like to have an answer to all my questions so that we would really know whether this is another blow aimed at provincial autonomy.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in commenting on the freshwater fish marketing bill at this stage of its passage through the house I should like to make a few remarks thereon. Many of my comments will be in the form of questions to which I hope to obtain answers in order to ascertain how the act will function once it is brought

into effect, if indeed it is. I should also like to point out a few places where the bill seems to be obscure and should be clarified before final passage.

In my riding there are a few hundred licence-holders in the fishing industry who will be affected by the legislation. They have been asking questions about it and making comments, and I do not think these are altogether clarified by the provisions of the bill. One of their main points is in connection with the duties of the corporation and the extent to which it will take over the buying, processing and marketing of fish. It does not appear quite clear whether fish can be sold to the trade within the province in which they are caught without passing through the hands of the corporation.

• (4:10 p.m.)

For instance, it is not clear whether licensed fishermen will have the opportunity of selling to neighbours, local restaurants and so on, bearing in mind, of course, that they are bound by the requirements of our food laws and so forth. It is not clear from the terms of the bill whether or not this type of enterprise is going to be prohibited or allowed. Indeed, there does not seem to be anything in the bill that will prevent a fish producer from marketing fish in any form within the province in which the fish are caught. This may be an indication that the purpose of the bill is to allow some private competition or private trade in fish, or that there may be a low level of competition in fish products in the province in which the fish are caught. The legislation does not spell out whether the corporation can or will allow private enterprise to engage in fish marketing or, particularly, in the manufacture of fish into fish by-products. In my area, for instance, there is at this time considerable interest in the manufacture of coarse fish into pet food. I believe that this point ought to be clarified since clarification would remove the considerable uncertainty of the processors of fish. They are not sure whether there will be any need for private initiative in the actual marketing and manufacturing of fish products.

Another area where the legislation does not seem to be quite clear is in the definition of a fisherman. This has been a bone of contention in my province. Our fishermen argue about the definition of a fisherman. Although all commercial fishermen must procure a licence to fish, all too often this has been a mere formality. There has been criticism of some fishermen who make their livelihood from fishing. There has been considerable discussion among fishermen themselves as to the designation of a fisherman. Some hope to make a livelihood from the fishing industry most of the time while others are part time fishermen who fish on a part time basis to supplement their incomes or who go fishing when fishing is good and proceed to another occupation when fishing is not so good. I believe the licensing of fishermen will have to be considered, as will the definition of a fisherman. If the corporation is to handle all or almost all fish on the market it may eventually have to be the body which will make this decision.

There is a further clause in the bill dealing with the granting of licences for the carrying on of interprovincial trade and the export of fish. It is not clear whether the present system of export licences will be continued, with the province having the power to grant an export licence to anyone it sees fit, or whether the corporation will grant such licences. In the past many people involved in the marketing of fish products have been worried about this situation. They have felt that to a large extent the existing conditions did much to bring about the McIvor report. Indeed, they feel that too many export licences are being given to people without adequate trading or marketing facilities. It is felt that such individuals or companies dealing in fish have tended to drive down the price, with the result that the market was depressed. It would seem that this activity would also have to be carried out by the corporation if any kind of rationalization at the interprovincial or international level is to be achieved.

There is another point of general concern in my riding. Will the board buy all species of fish that are procured by fishermen or will it set some sort of quotas? Some fishermen in some areas catch mostly coarse fish and very few good fish that can be sold, while others in other areas catch good, saleable fish most of the time. If the board is to acquire control over the marketing of fish and fish products, surely it will be required to take all saleable fish caught by fishermen subject, of course, to the quotas which must be imposed on the yields from lakes in order to make for good fish husbandry. Unless it is made clear that the board is required to buy all fish offered to it, it does not seem likely that the corporation could carry on a meaningful rationalization of the industry.

One area has not been spelled out in the legislation and probably it cannot be. I am referring to research into various types of fishing and fish products. We do not know whether the effects of the legislation will spill over and affect research into the production of worth-while species of fish and good fish husbandry. In any event, no doubt the board will have some interest in this matter and will investigate the possibilities with the appropriate provincial authorities.

There is also the matter of pooling to consider, which is of considerable interest to my area. As I mentioned before, some lakes yield mainly coarse types of fish while others yield mainly good quality fish. It is important for us to have good quality catches and to preserve fish during transportation for processing purposes. I want to know whether fishermen catching high-grade fish will be rewarded by higher prices than those paid to fishermen who do not care so much about the quality of their catches and produce lower grades of fish. This will be an important problem and I believe the board may have considerable difficulty with regard to it.

The matter of transportation must also be considered. Will fishermen residing close to centres of consumption have a transportation advantage over fishermen not residing close to such centres? We must also consider the subject of compensation for processors of fish whose facilities will become redundant. The legislation on this point is obscure. I understand that the provinces are to be involved in this matter, with the corporation reimbursing the provinces. Very likely a number of companies, by no means all of them large, will find that their fish sheds and warehouses have become redundant. Although the legislation on this point seems obscure, I take it the corporation will reimburse them in some way. In any event this ought to be looked into. If there is to be compensation I should like to see wording in the bill setting out who is responsible for determining compensation as well as what that compensation will be. Also we ought to set up some type of appeal board or appeal mechanism in case some people feel they have not been adequately compensated.

Finally, I point out that in 1964 the freshwater fishing industry brought a return to the fishermen engaged in it of approximately $12 million, which is considered to be between 50 per cent and 60 per cent of the total amount of money received for the fish caught by them in that year. Approximately 6,000 to 7,000 fishermen will come under this legislation. The price of fish is not rising and the catches do not seem to be any greater. There is a big problem here in that a total income of $12 million for 7,000 people means that each fisherman receives less than $2,000 a season for his work, or less than the minimum wage. Further, the fisherman has to deduct from that amount his expenses, which are not unsubstantial. So it is obvious that this is an industry in which the participants are operating at a very low level.

• (4:20 p.m.)

The proposed corporation is a very expensive looking set-up and to my mind it is doubtful that it will be able to conduct its business in a businesslike manner and be self-sustaining, at least in the initial stages. I believe that an ARDA type program may have to be instituted for many of these fishermen under which they can be upgraded to obtain a higher income, and some may have to be assisted to go into other occupations.

I am most interested in this bill. Although it does not deal with a large segment of our population it is interesting in that it deals with a perishable food product, and the history of marketing boards for such products has not always been the best.

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, to the extent that this proposed legislation attempts to carry out the very lofty aims set out in clause 23 I would certainly go along with it. That clause says it will be the aim of the proposed corporation to improve the lot of fishermen by:

(a) marketing fish in an orderly manner;
(b) increasing returns to fishermen; and
(c) promoting international markets for . . . fish.

These are indeed lofty ideals, I say to the Minister of Fisheries (Mr. Davis) and to the Minister without Portfolio (Mr. Lang), who is piloting this bill through the house, that if they are successful in carrying out these ideals I for one will certainly be prepared to sing their praises loud and long. Also, to the extent that the legislation proposes to improve the economic position of freshwater fishermen and gives recognition to the importance and value of marketing boards I am prepared to go along with it.

There is certainly need today for improved methods and practices in the marketing of fish and fish products. Through no fault of their own our fishermen have seen their cash incomes slump from year to year. For as long as I can remember fishermen in all parts of Canada have been at the mercy of fluctuating

prices so that from one year to another they can never be sure what their incomes will be. While the fishermen themselves have made a great deal of progress in solving their own problems, and while it must be admitted that they are a capable group, nevertheless I am firmly of the belief that they must have machinery to protect themselves. Every other class of producer has machinery whereby its interests can be protected and our fishermen must be afforded the same means of protection.

Not too many years ago we had markets for our fish in Europe, South America, the West Indies, Puerto Rico, Cuba and various other countries, but one by one these markets have been falling away. As we lost them our fishermen were placed in a more and more precarious position. More and more of them were forced out of employment and more and more of them were forced to leave the industry. Therefore, I am also in accord with the principle of a marketing board involved in this bill. I believe we should have a dominion marketing board under which we could control the marketing of fish of all kinds, not just freshwater fish. Nobody will deny there is need for improved methods and practices in the marketing of fish and fish products. This is a highly commendable objective, and anything which tends to further this end without depriving individuals—I stress this—of the rights, liberties and privileges which are so sacred to all of us will, I am sure, receive general endorsation.

The greatest factor working against the orderly marketing of fish and fish products in Canada is the surpluses we have from time to time. This also applies to farm products. In times of surpluses fish are literally dumped on the market, prices to the fishermen are depressed and, of course, the fishermen suffer. A properly constituted marketing board should be the means by which this situation can be corrected. I stress the fact that it must be a properly constituted board, but in my opinion the legislation before us fails in that respect. It fails because it does not guarantee that there will be even one qualified fisherman on the proposed board. I suggest that the producer should be given the fullest measure of control over his own product. He is the one who has the most at stake. But this legislation gives no indication that there will be even one qualified fisherman on the board proposed to be set up to help fishermen control the marketing of their products.

I say that the producers themselves should have a say on all marketing boards. I maintain that a board of this kind will never work successfully unless it has the full co-operation of the producers of the product to be controlled by it. The only way to make sure that the fishermen are behind the board is to make sure that they are adequately represented on it. I repeat that this legislation fails in that respect. The board should be the collective voice of the fishermen. It is proposed that it speak for the fishermen and protect their rights. Surely the fishermen should be given a guarantee that they will be represented on the board by people actively engaged in the fishing industry.

There is another feature of the legislation which I do not like. It smacks just a little too much of government control. My fear is that the legislation as presented could set up a bureaucracy which would undertake to regulate the production and marketing of fish. If we examine the bill we find that the Governor in Council is the body that will appoint the members of the board. I suggest that the freshwater fishermen's associations—I presume there are such in existence—should have some voice in determining who is going to be appointed to the board. As I have said, it is their business that is going to be controlled. I do not think it is fair to give the Governor in Council complete say as to who should be appointed to the board.

• (4:30 p.m.)

From day to day we see the old policy of laissez-faire rapidly becoming a thing of the past. I suggest, however, that we must not allow the government to take over all our activities. Surely we should be able to retain some power. Surely the fishermen themselves should have some say with regard to the composition of this board. We on this side of the house suggest very seriously that this is an example of government control with a vengeance. Obviously this bill is intended to give a greater measure of control over the activities of our fishermen. I feel that unfortunately there is a very grave danger that this board may become government controlled. We must not become overburdened with paternalism and bureaucracy. Already the hand of the state is almost everywhere except perhaps in the bedrooms of the nation. The Prime Minister says it has not got there yet.

Although I agree in principle with this legislation, it would appear to be an unwarranted extension of governmental authority

and interference with the rights of the subject. I believe something must be done to protect not only the freshwater fishermen but all our fishermen against the vagaries of the market, and I suggest very seriously to the Minister without Portfolio that some consideration be given to amending the proposed legislation in such a way that the fishermen, those who are primarily interested in the matter, will be guaranteed representation on this board.

Mr. Mark Smerchanski (Provencher): Mr. Speaker, I should like to speak in favour of Bill C-148, to establish a freshwater fish marketing corporation. Such a corporation is long overdue. It is necessary and desirable for the benefit of the fishermen on our freshwater lakes. When we consider the fact that most of the fishing operations on the lakes are divided between frozen fish products and fresh fish products and when we realize the difference in price is some six or seven cents a pound it becomes evident that this places a heavy burden on the fisherman who is entitled to a higher return. Aircraft transportation has to a great extent been brought into play in relation to the fishing operations on the freshwater lakes. We find that these fishing operations are highly specialized. Fish are transported from the lakes by air in the form of fish meal, fillets and headless. The weight factor is very important.

It is almost mandatory that the fisherman should have a ready market for his product. In the past he has lost a great deal of his product by reason of not being able to sell it when he brought it to the market. This freshwater fish marketing corporation should resolve this problem and provide the fisherman with a better return for his product. The industry needs this type of control. In turn the fisherman will profit from the possibility that some of the by-products which are not considered to have much value because of air transportation costs will likely revert to the fisherman and produce additional income. The fisherman will be able to have centrally located filleting plants and will be able to avail himself of proper freezer facilities in certain areas.

I wish to commend the minister for bringing this bill before the house because it will co-ordinate efforts and will further the ability of the fisherman to increase his income. He will be able to market his product through the corporation at a higher price. There will be an orderly control over the marketing of fish from fresh waters, especially in western Canada.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to take a few moments to express some of the fears I have in connection with this board. While the operation of such a board may be desirable—at least in the early stages we hope this will be so—I have always had some reservations about marketing perishable products when there is a possibility that too much emphasis may be placed on storage facilities, transportation and marketing rather than on providing the primary producer with an adequate return for his efforts.

In Saskatchewan we have had some experience with such boards. Some producers at times have been satisfied with the situation but, on the other hand, such boards have tended to monopolize the market too much and at times the fisherman was not really aware whether he was obtaining the maximum benefit from the board. The Indians and Métis who are engaged in fishing tell me they often feel it is not the fisherman who benefits from such boards but rather the operators of air lines or other transportation companies that are involved because these companies ensure for themselves an adequate return while the fisherman receives the crumbs from the operation.

• (4:40 p.m.)

It is now obvious that the existing provincial boards will no longer function in a really competitive manner, and since the grant which will be available to this board will be only about $100,000 I am somewhat concerned that this will not be sufficient to establish the board, pay for its operating expenses and salaries, and at the same time compensate the operators of the filleting plants or storage facilities. It is obvious that the corporation must operate at a profit and use its profits to provide filleting plants, storage facilities and transportation. I suggest that in its early stage the corporation will concentrate on establishing these facilities. It will be interested in providing modern equipment. This will take a number of years to accomplish. As a result there will be a period of time when the fishermen will not receive the maximum benefits of this legislation. I would like to see some arrangement made whereby the Minister of Finance (Mr. Benson) would provide increased grants from the consolidated revenue fund so that the industry could operate

on a sound basis. Under the present circumstances the primary producer will not be able to obtain the maximum benefits for many years.

It is my belief that even with this marketing board there will be fluctuations in price. What may be necessary in conjunction with the operation of the corporation is a price stabilization board. This could be of assistance to the industry. One must be very careful in establishing initial prices for this product, just as with wheat. The initial price very often is not as high as the realized price. Having established a certain initial price it should not be possible during the following year to reduce the price because of greater competition or the unavailability of markets. The primary producer must have some assurance in respect of price and markets. The establishment of a price stabilization board might help this corporation in its infancy when it is spending money for the acquisition of the necessary operating equipment.

I wonder what the effect of the establishment of this board will be in respect of existing fish marketing boards such as the one in Saskatchewan. I imagine there have been some discussions in this regard. Perhaps some facilities will have to be taken over from the Saskatchewan fish marketing board or operated in co-operation with this corporation. I hope adequate provisions have been made to compensate equitably the people who have an interest in these facilities.

We must always consider employment opportunities for those people who reside in the areas to be affected by this corporation. I suggest that rather than establishing a bureaucracy to be administered from somewhere in central Canada great emphasis should be placed on hiring native Indians and Métis who, because of their locale and nature, are well suited for employment in this industry. There are many Indian settlements around lakes on the prairies. These people will not take part in the fishing industry because they feel it is a waste of time. In order to succeed in such a venture one must spend a great deal of money. These people feel that the cost and the effort involved cannot be justified by the return. There is not adequate compensation for their efforts.

In view of the fact there will be no competition in this field I hope a real effort will be made to avoid placing emphasis on the purchase of facilities. If it is found necessary the government should extend the time limit in respect of the acquisition of necessary facilities by the corporation or in co-operation with existing authorities. We should not be too quick to establish a bureaucracy. We should do everything possible to assure a greater return to the primary producers.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is interesting to note that the proposal to establish this marketing board was presented by a minister who comes from a province where most elections have been fought on the basis of local reaction to crown corporations. I was pleased to see that the Minister without Portfolio (Mr. Lang) was not unwilling to present such a bill. I was equally surprised to hear another hon. member say that he is in favour of marketing boards. This is a very conservative attitude, but someone should always express such opinions.

I do not come from an area which produces a great deal of marketable fish. Most of the fish caught there are game fish. In northern Ontario as in Manitoba the potential production of commercial fish is greater than what now exists.

The government in drafting this proposed legislation has stuck fairly closely to the recommendations of the McIvor commission. The saltwater fisheries have reason to be concerned about the establishment of an inland freshwater fish marketing agency. The freshwater fishery in central Canada and central United States has not been a great threat to the production and distribution of saltwater fish.

• (4:50 p.m.)

I have for many years read with great interest the advertisements placed in farm papers in respect of frozen fish in bulk for shipment from the Winnipeg area to parts of Ontario and the prairies. I have noted that a great fluctuation has taken place in this regard. If we are to have a viable industry we must do something to stabilize the price of fish and perhaps develop a totally new type of industry.

I agree to some extent with the hon. member for Mackenzie (Mr. Korchinski) that caution should be exercised in regard to heavy capital cost expenditures in the initial stage. We will have to develop in Canada a greater market for fish. When I first came to the house Winnipeg gold-eye was on the menu of the parliamentary restaurant at least once a week. I have not seen this fish for several years. I thought they were terrible fish to eat,

but I am sure they were a good advertisement for Winnipeg. It was a unique-looking fish which I had not seen before. In this way we were doing something to increase the sale of this type of fish.

We do not have live lobster on the menu of the parliamentary restaurant. I think the salt-water fishermen would be very much in favour of increasing the sale of lobster. I find the Department of Fisheries is becoming very cheap, from the point of view of members of parliament, because I remember that a few years ago about one-third of the members of this house were invited to visit the excellent kitchen of the Department of Fisheries. We started with the first course, which was of course fish. We then proceeded through the soup course and several other unknown courses. Then we had a choice of several kinds of fish and finished with a dessert made out of fish in their own laboratory. The Minister of Fisheries (Mr. Davis) has perhaps not been long enough in his portfolio to realize the value of advertising the developments that have been made in this industry. I am not sure how you can make custard out of fish. I am sure that most housewives, even those in the fishing areas, would not know how this is done, but I was informed that we were eating custard made out of fish. The minister should consider having his department provide assistance in advertising the value of processing in the kitchen many of the fish products that are available to us.

I am sure the minister will find that many agents who have been selling freshwater fish up to this time will not look upon this new board favourably. They have developed a great deal of competition and have had a very lucrative business. This measure will of course put some of them out of business. There will be an established quality and quantity of fish available and therefore stabilization of the price is almost inevitable. As happened with former cattle buyers, if there is a stabilization of price there will not be so many people in the business and the market will be developed on much more orderly lines.

The problem in the Northwest Territories has been handled by the former minister of northern affairs, now the Minister of Public Works (Mr. Laing). He did a great deal of work in the development of the char fishery program. This market was developed for the benefit of Indians and Eskimos and a very coarse and, I presume, almost mullet-type fish was produced. The sale of this fish resulted in a very high return.

In my area we have a form of sturgeon in Lake Timiskaming. It is fished commercially and sent to the New York market where it fetches a very good price. Occasionally the local fishermen steal a sturgeon from the commercial nets so they may try it out. They cannot get it any other way. They find it to be a terrible fish so far as eating is concerned, but it is very much sought after and fetches a high price in the gourmet markets.

Char was developed in this way. The minister will have to concern himself with this fish because I am sure we have only scratched the surface of the potential trade. We should be able to develop a market far larger than at present. I am sure the market is there to be found. As a more orderly price is obtained for fish I am sure we could consider many other areas that are not now considered to be commercial and will be able to make these products a commercial proposition.

I have for many years had a running battle with the department of lands and forests in Ontario with regard to the type of fish produced. The Americans I have observed fishing come to northern Ontario for wall-eye or pickerel, but the department of lands and forests has been spending millions of dollars on stocking lakes with trout. An American can go to a trout farm in the United States and for about $1 can buy a trout. If he pays $10 he is entitled to so many trout. Somebody puts them in the pond and he takes them out. We will have to decide whether it is worth while stocking our inland waters with fish. The minister will under this legislation have to consider restocking our inland waters. If a fish is worth $3 or $4 on the market and it costs us 50 cents to develop this industry, that is good business. It is an easy type of fish farming and one in which we should be involved.

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 pension; the hon. member for Frontenac (Mr. Dumont)—Finance—request that interest rates be studied by standing committee; the hon. member for Edmonton Centre (Mr. Paproski)—Sports—exercise of draft by National Hockey League.

EXTERNAL AFFAIRS

DISCUSSION OF NATIONAL DEFENCE POLICY IN STANDING COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I wonder if I might have the consent of the house to revert to motions in order to move a motion with reference to the standing committee on external affairs and national defence. I believe this motion which was mentioned earlier today, might now be found acceptable.

The Acting Speaker (Mr. Béchard): Does the house agree?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): I move, seconded by the Minister of Fisheries (Mr. Davis):

That the standing committee on external affairs and national defence be instructed, and hereby is instructed, to hear evidence on and to consider Canada's policy with reference to defence and external affairs.

Motion agreed to.

The Acting Speaker (Mr. Béchard): Order, please. It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

PRIVATE BILLS

LONDON AND MIDLAND GENERAL INSURANCE COMPANY

The house resumed, from Tuesday, October 29, consideration in committee of Bill C-101, respecting London and Midland General Insurance Company—Mr. Lind—Mr. Béchard in the chair.

The Deputy Chairman: When the committee dealt with this matter on Tuesday, October 29, 1968, clause 1 of the bill was under consideration.

On clause 1—*Change of name.*

• (5:00 p.m.)

Mr. Peters: Mr. Chairman, this bill has been to committee and while in committee the Avco Company, who are the principals of this company, had the opportunity to make a number of statements in reply to questions that have been asked for some time regarding the company under consideration. The questions really fall into three categories. First, is this company willing to make a concession to the general policy of Canada as it has been outlined in respect of other financial institutions, including the Mercantile Bank? Is the company willing to provide through legislation for changes in ownership and control over a period of time, taking into account the financial considerations which might evolve? Second, has this company legitimate proof to offer regarding the necessity for the change in name from one that has been used in Canada over a considerable period of time and in view of the participation of a large number of Canadians through the purchase of policies from that company? Third, is it the desire of the company, as indicated by the sponsor of the bill, to state that it is losing money by continuing to be known as the London and Midland General Insurance Company and that it wishes to be renamed so as to eliminate what appears to be confusion in the British market because of a bankruptcy which occurred in a company of a similar name in England?

I gather from reading the report of the committee—I did not have the opportunity to attend the meeting—that the officers of the company did not avail themselves of the opportunity to make statements on the three points which I have enumerated, nor did they really make any attempt to do so. In fact, with regard to the inherent right to establish Canadian ownership, all the statements made by this company were negative in terms of their relationship with the Avco Corporation and its multi-unit corporation in England and the United States. They indicated that the strength of the company was going to flow from its association with the Avco Corporation, and obviously they were not willing or even in a position to consider the right of Canadians eventually to own this corporation.

Second, they spoke about the desirability of a relationship between this company and the previous company, but they made no effort to indicate the profit of the London and Midland Company in relation to other companies. I am not in a position to do so either. I have information available which would provide a comparison, but there are many unknown factors which would make it an unfair comparison.

The London and Midland Insurance Company has no distinct advantages in the Canadian market which would distinguish it from other companies, but in the case where agents are involved each of them plays some role in the development of the company and in the sale of insurance underwritten by this company. Therefore it would seem to me that there would have to be identical salesmen, identical situations and identical circumstances before it could be decided whether or not the statement was true. However, the company did not make any attempt to indicate that such is the case. They made the flat statement that they had been hurt and they let it go at that. This can be proved because we have a record of it in the report of the Superintendent of Insurance. I have volume 2 of the annual statements of the fire and casualty insurance companies which lists, among others, the London and Midland General Insurance Company.

In looking at this company we find that it has not done badly and, in fact, in my opinion has done very well. For instance, the investments owned by the company have a book value of $7.292 million. I suggest that this company has not been hurt very much. If we go back and check their assets at the time of the bankruptcy of the other company with a similar name, we find that their assets have increased and so has the business they have done. I think that the person who represented the company was downright dishonest in implying that the bankruptcy in England has hurt the sales of the company in Canada. In looking over the record of this company, if they wish to compare themselves with another company of similar size selling in a similar market—all of them sell exactly the same insurance anyway; they use a model bill and therefore it is all underwritten in exactly the same way—it appears to me that they would be hard pressed to find justification for a change in name for that reason.

With regard to the financial position of this company it was very interesting to read certain portions of the report of the committee. Mr. Burton said the following:

> Could I ask, Mr. Chairman—I could move the motion if necessary—to have this balance sheet printed as an appendix to the proceedings for this day?

That would have been very nice because it would have meant that we would have had an up to date balance sheet. I am using as a reference the 1966 balance sheet which is the last copy I have of the report of the Superintendent of Insurance. There may be a 1967 copy out now but it must have come in since I brought this volume to the house. What actually happened? The representative of the company said he would be very happy to provide the balance sheet and then a member of the committee said:

> I say, Mr. Chairman, it is not germane to this discussion; it is irrelevant and out of order and, therefore, I would oppose merely on that ground.

He went on to say:

> I am trying to establish here a line of conduct for this coming year.

He did not need to establish that because he has been running interference for these insurance companies for a long time.

I think that the proposed change in name of this company hinges on these three points, and it is my contention that they were not discussed. I believe that there probably could have been a straight answer to this problem had the company provided their balance sheet. I am sure that if they had done so they would have been prepared to compare it with the balance sheets of previous years and to give an indication in dollars and cents of the growth which they would expect their corporation to have over a given period of time, knowing the performance of other insurance companies of a similar nature and relating it to their gain and growth over that period.

They could have said then that they had experienced a loss as a result of the name of the company, and this would have gained some support from some of the members of the committee. This did not happen as a result of interference, but I understand that in the end the committee members were provided with a copy of the financial statement. Of course this is an indication of the fact that the representative of the company was prepared to make the information available but that certain members of the committee were not interested in having it. Because of the fact that the balance sheet was not attached as an appendix to the committee's report it is not now available to other hon. members who did not have the opportunity to attend the meeting of the committee.

• (5:10 p.m.)

The major problem we face in Canada today appears to arise from the ownership and control of many of these companies by corporations outside Canada through interlocking directorships and financial arrangements. This means that by virtue of a corporate decision changes may be brought about in 20 or 30 interrelated companies without

Canadians having any say whether those changes are in the national interest. In many cases this might not matter but I suggest that in the case of insurance companies it does matter. They are financial institutions. A great deal of the mortgage money which our people need must come from savings which are held in trust by insurance companies operating in this regard in the same way as banks and trust companies.

In the case we are considering today the total direct investment amounts to $7,292,000. That is a lot of money which could be invested in housing or in related fields. The company now under consideration is only one of a large number of similar companies, perhaps a thousand, doing business in Canada. So there are probably a billion dollars available from insurance companies for reinvestment.

We have on several occasions held conversations with representatives of insurance companies and similar companies in the course of which suggestions have been made. We are now suggesting to this company that it should give consideration to certain proposed changes. One of these changes is similar to the one brought about in the case of the Mercantile Bank where it was agreed that the bank should be given a period of time in which to put its business in order for a sale to take place, or else continue as it was doing for a further period of time at the end of which it was bound to cease business. In several cases companies have agreed that after a ten-year period dating from registration they would either be owned to the extent of 51 per cent by residents of Canada, persons normally of Canadian citizenship, or else that would give up their right to do business and would cease to exist. I presume their petitions are already on the order paper or will be there shortly. Some of the insurance companies have agreed to this procedure. When I talked to the heads of some of these insurance companies they said—and I was pleased to hear it—We, too, want our companies to be Canadian; we want our companies to be so Canadian eventually that we shall be able to make policy decisions free altogether from outside influence.

I asked an American who owns one of these companies why he wanted to establish business in Canada. He did not beat about the bush. He said quite frankly that the market in Canada was so lucrative that if the company were given ten years in which to establish itself it would be willing to get out to the extent of 51 per cent of its shares at the end of that time. The value of the shares sold would represent everything he expected to get out of the operation and afterwards he would be content to let Canadians run the business. If this is true in the case of one of these companies I maintain it is true of others, and in these circumstances I suggest it is time for us to invite these petitioners to state plainly whether they wish to do business in Canada through a Canadian corporation or through a branch office.

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

Mr. Gilbert: Mr. Chairman, we are dealing now with Bill C-101. The explanatory note to the bill says that the sole purpose is to change the name of the company to Avco Insurance Company and, in French, L'Avco, Compagnie d'Assurance Générale.

If this were the sole purpose of the bill one might be disposed to view the petition with sympathy. Nevertheless, when one hears the name "Avco" one is perplexed as to its meaning. You will recall, Mr. Chairman, that the last time I spoke on the subject I expressed regret that we in Canada should be asked to agree to change a name like "London" with all its implications of parliamentary democracy, all its wealth of associations for people who have left it to come to Canada, for a name like "Avco". Take the other part of the present name of the company—"Midland". I understand this is the name of another region in England. I know that the sponsor of this bill is the hon. member for Middlesex. Middlesex is a county in England of great fame and name and I am surprised that the present hon. member would apparently agree to such a change in name as is proposed.

It was revealed to me that the name "Avco" is a short name for "Aviation companies". This was stated before the standing committee on finance, trade and economic affairs when the representative of this company appeared on October 10 and 22. When one thinks of aviation companies one thinks of the large companies in the United States. When one looks at the background of Avco and the type of activities in which it participates one is confronted by the general question of the degree of horizontal and vertical development which is taking place in the corporate world today.

For example, Mr. Paterno, one of the witnesses before the committee, was asked to give a breakdown of the areas of economic

affinity to which the Avco company was directing its investments. This is the answer he gave:

> The type of industries that we are in would be aerospace, less than 1 per cent; agricultural equipment, 1 per cent; automation equipment, 2.4 per cent; automotive equipment, 3.4 per cent; banking and trust, 5.3 per cent; beverages, 1.4 per cent; building materials, roughly 1 per cent; chemicals, 1.36 per cent; construction, 1.25 per cent; electronics, 3 per cent; food, both distributors and things of that nature, 6 per cent; investment companies themselves, which would be trust companies and things of that nature, 10 per cent; merchandising, 13.4 per cent; metals and mining, 5.1 per cent; oil and gas, 8.5 per cent; pipe lines, 4.2 per cent; real estate, 6.78 per cent; recreation, 3.3 per cent; secondary manufacturing, 4 per cent; tobacco, 1 per cent; transportation, 1.4 per cent; utilities, 8.3 per cent, and miscellaneous, about 2.4 per cent.

• (5:20 p.m.)

That gives a pretty good idea of the spread of the investment involved. These are the sort of industries that this particular company invests in, and the record is quite impressive both in regard to its horizontal as well as its vertical development in the corporate field.

I should like to put on record the different companies that form part of Avco. In the opening statement of Mr. Alexander the parliamentary agent, appear these words:

> I would point out that Delta Acceptance Corporation Limited was incorporated as a public company under the laws of Ontario by letters patent dated March 26, 1954. In July, 1962, Delta Acceptance Corporation acquired the whole of the outstanding share capital of London and Midland General Insurance Company, a company which was incorporated by an act of parliament on July 17, 1947, under the name of the Progressive Insurance Company of Canada and which subsequently changed its name to London and Midland General Insurance Company by an act of parliament on April 12, 1957. Subsequently Delta Acceptance Corporation changed its name to Avco Delta Corporation Canada Limited.

In addition to the London and Midland General Insurance Company the following companies are subsidiaries of Avco Delta Corporation: Avco Delta Corporation Canada Limited; Avco C.F.C. Limited, which was formerly C.F.C. Finance Corporation Limited; Avco Delta Dominion Limited, which was formerly Delta Acceptance Canada Limited; Avco Delta Quebec Limited, which was formerly called D.A.C. (Quebec) Limited; Avco Finance Limited, which was formerly the Crescent Finance Corporation Limited; Avco Highland Plan Limited, which was formerly called Highland Trial Plan Limited; Avco Delta Realty Limited, which was formerly Grand Prairie Investments Limited; Adanac General Insurance Company of Canada; Avco Delta Realty, Manitoba, Limited, which was formerly called The North West Mortgage and Finance Company Limited; Consolidated Finance Western Limited; Empire Acceptance Corporation Limited; General Finance Company Limited; Lorne-Bruce Motors Limited, and Waverly Finance Company Limited.

So not only is there an impressive number of subsidiaries of Avco but there is a very wide range of operation which is indicative of the corporate enterprises that are carried on today. This is why the hon. member for Timiskaming raised three preliminary questions in considering this very important bill. The one that I would underline is the question of foreign ownership.

My reason for so doing is the serious concern that was expressed by the "late" Walter Gordon. When I say "late", I mean late in the sense of his being an active member of the Liberal party. Hon. members will recall that Mr. Gordon set up the Watkins commission to make a study of the impact of foreign ownership in Canada. After completing the study Mr. Gordon presented the report to the House of Commons. He prefaced his remarks by saying that he did not necessarily commit the government to the recommendations contained in the report; in other words, he was left alone on the iceberg to withstand the prevailing winds that were blowing at that time.

It is remarkable that during the last week another book was published by a former minister, the former secretary of state, in which she said that Walter Gordon was one of the most progressive and intelligent members that had ever graced the front benches of the Liberal party, that he was a visionary with regard to economic and financial ideas.

The Deputy Chairman: Order. I think the last remarks of the hon. member have nothing to do with the bill under study.

Mr. Gilbert: Thank you, Mr. Chairman, for bringing that to my attention; I was rather carried away. I have read excerpts from the book and the commendations of the "late" minister of finance were so impressive that they caught my attention.

If I may relate my remarks directly to the question of foreign ownership and more directly to Avco—as hon. members know the purpose of the bill is to change the name "London and Midland General Insurance Company" to "Avco General Insurance Company"—I was equally impressed by the speech made by the present Secretary of

State (Mr. Pelletier) on Tuesday, January 14, two days ago, at the Waldorf-Astoria Hotel in New York. On that occasion he addressed the members of the Compressed Gas Association. I happen to have been fortunate enough to glance through his speech, and the opening remarks of the minister have a serious bearing on this problem. This is the way that the present Secretary of State commenced his speech:

"Canada, I have long believed, is fighting a rearguard action against the inevitable. Living next to our nation, with a population ten times as large as theirs and a gross national product fourteen times as great, the Canadians recognize their need for United States capital; but at the same time they are determined to maintain their economic and political independence ... The struggle is bound to be a difficult one—and I suspect, over the years, a losing one ... Thus, while I can understand the motivating assumptions of the Canadian position, I cannot predict a long life expectancy for her present policies."

Thus wrote Mr. George W. Ball, in his book, "The Discipline of Power", published last year in New York. Mr. Ball, as you know, was Under-Secretary of State under the Kennedy and Johnson administrations. The personal opinion he expresses regarding Canada's future seems to me to reflect the opinion of the American public.

Canada, 51st State of the Union? ... Basically, this is not such a fantastic idea.

Thus today, I am speaking to you in English, a language common to you all, Canadians or Americans.

Those were the opening words of the Secretary of State in regard to the United States' attitude to Canada's financial, economic and political independence. He must have had good reason to use them because later in his speech he sets forth how the Canadian government set up the Watkins Commission to study foreign ownership in view of the concern so many Canadians had about it. At page 24 of his speech appears this passage:

You know better than anyone how much the American economy has affected that of Canada. The report of the Watkins Commission, which was set up to study the problem of foreign ownership in Canada in relation to the structure of industry, begins with these words:

"The extent of foreign control on Canadian industry is unique among the industrialized nations of the world. Canadians are aware of the economic benefits which have resulted from foreign investment. They are also concerned about the implications of the present level of foreign control for Canada's long-run prospects for national independence and economic growth."

Some experts hold a much more radical opinion; they believe that Canada has deliberately sacrificed the advantages which economic independence would eventually bring for the more immediate advantages of a high standard of living.

• (5:30 p.m.)

Then, he sets out some statistics, as follows:

—in 1965, more than 60 per cent of the Canadian gross national product resulted from foreign investments in Canada and about 75 per cent of these investments were American. Therefore, 45 per cent of the Canadian gross national product came directly from the United States—this through the agency of 6,000 industrial and commercial companies belonging to American interests or controlled by them. This represents about 14 billion dollars. In Canada, the United States owns:

—more than 60 per cent of the petroleum and natural gas industry;

—approximately 60 per cent of the mines and refineries;

—35 per cent of the pulp and paper industries;

—45 per cent of the factories;

—13 per cent of the public services;

—more than 50 per cent of the chemical, electrical and farm-implement industries—

We could continue this listing of statistics indefinitely, but statistics are sometimes misleading and always tiresome. Best we should stop here.

After reading this interesting and revealing speech by the present Secretary of State which shows the extent of penetration by foreign ownerships in Canada, and when we couple with that the present attitude of the government which does not want to stop foreign ownership of our assets but rather encourages it, one can well become alarmed at the prevailing attitude on the government side of the house today.

When Canada was born in 1867 it had humble beginnings. We started as an agricultural country and through the years have developed not only our agriculture but our industrial life as well. Progress has been made by dedicated Canadians prepared to give their time and talent to the development of our Canadian economy. This development took place steadily over the years. But after the first war, or for the last 40 years, there has been a steady penetration of our economy by our friends to the south. Their capital and their expertise have penetrated our economic life, as well as their more recent technique of developing in this country a branch plant economy. When one reads the long list of concerns the company we are presently considering has under its control one realizes that the extent of penetration is almost beyond the control of Canadians. If we lose financial control of our country we may well lose our political independence. That is why our present Secretary of State showed such concern about the attitude expressed by George Ball, the former secretary of state under Presidents Kennedy and Johnson.

As the hon. member for Timiskaming said, Canada ought to develop her own economy. The way to do that is by telling our friends to the south that we must participate in the development of this economy. We welcome their capital which, I am sure, has helped us over the years. But the type of capital coming in has changed. At the turn of the century capital coming in did not involve the foreign ownership of our assets. Now, equity capital is coming in, and with that our assets are coming under foreign domination. This fact is dramatically exemplified if one studies Avco Insurance Company. They have brought with them their capital and have demanded what is known as equity ownership, foreign ownership in this case. We, as Canadians, must be alert to this problem. The hon. member for Middlesex and other hon. members in his position ought to say, "As a representative of this company and as sponsor of this bill I am prepared to suggest to this company that Canadians must be permitted an equity in ownership as well as participation in company growth. Canadians should be permitted the opportunity of becoming directors of the company and making decisions."

Only in this way can we maintain our identity as Canadians and show men like George Ball, who think we are fighting a rear guard action and that it is only a matter of time before we become the fifty first state, that they are wrong. I am certain that if men like the hon. member for Middlesex, the sponsor of the bill—I am glad to see the hon. member for Hamilton is here—as well as cabinet ministers and their friends realize that this is the No. 1 issue in Canada, they will direct their minds, efforts and attentions to the creation of a country which will be developed by Canadians for Canadians.

[*Translation*]

Mr. Beaudoin: Mr. Chairman, I believe the question now under study is far more important than it might seem to be, and that, for two reasons.

I believe it should be given precedence over all other questions under study. The London and Midland General Insurance Company—in French, la London et Midland Compagnie d'Assurance Générale—according to the statutes, changed its name in 1947 for that of the Progressive Insurance Company of Canada. In 1957, it changed its name again to become known as the Progressive and now it is to be called the AVCO General Insurance Company. I believe that although the company acquainted the committee to some extent with its portfolio, its directors and president did not prove that they wanted to reveal their names.

As stated by the members who spoke before me, that is the members for Timiskaming and for Broadview (Messrs. Peters and Gilbert), AVCO is dished out all around: AVCO Finance, AVCO Aviation, AVCO this, AVCO that. If the London and Midland, which now calls itself AVCO General Insurance Company, really wants Canadians to hold a majority of its shares some day, it must continue to prove its seriousness with regard to its policy holders.

For instance, once the insured has paid his premium, the policy belongs to him and at some given time he may find out that the company is known as the London and Midland, La Progressive, and AVCO. He must certainly trust his insurance salesman and I think he must have great confidence in the general economy or in the seriousness of the legislation of our country which allowed the company, by granting it a federal or provincial charter, as the case may be, to do business in Canada.

Our concern today is the granting of a federal chart. I guess the policy holder can feel confident, but what about the little man, who owns such a policy? Indeed, we know that in most provinces today, especially if we consider the act granting compensation to the victims of accidents, it is important to know where one stand.

I need not mention here those companies which have already been granted federal charts in the last three, four or five years, nor incriminate them, but I daresay—that two of them as least—have gone bankrupt since.

I do not think that because the London and Midland went bankrupt in England is a good reason to change its name into the common name of Avco. I call it a common name because here in Canada the United States' Avco is a household word. I think the idea is rather to enjoy the monopoly of a name so that the publicity made by anyone of the companies may benefit the others. In my opinion, that would be extremely detrimental and would affect the confidence of the Canadian people with regard to investments in that company.

As far as we, the legislators, are concerned, we must be worthy of the confidence of our constituents. As stated by the hon. member for Broadview, that confidence should rise upward and spread from left to right.

I think we should be given conclusive evidence that the name of the company should

be changed. Since the representatives of the company have not proven beyond any shadow of a doubt that this change was essential, I think that it is not necessary at this stage to let that legislation go through.

As far as I am concerned, I do not support this bill and I do not agree with those who want to change the name of a company every three, four, five or six years.

Therefore, I believe that, on these grounds, we should act in a responsible manner and firmly oppose such a change in the name of that company, since the fact that the London and Midland went bankrupt in England cannot be considered as a valid argument. For my part, I believe that we should strongly object to the change in question.

• (5:40 p.m.)

[*English*]

The Deputy Chairman: The hon. member for Moose Jaw—sorry—the hon. member for Fraser Valley East.

Mr. Rose: Mr. Chairman, if I may offer an amendment to your remarks the riding I am privileged to represent is Fraser Valley West, but I congratulate you on your second attempt in being at least in the right province. I realize as someone sitting here a long way from the Chair, it is sometimes very difficult for the Chair to see the various members. This is especially true if they happen to be sitting in the back row and have not come to the Chair's attention previously, at least not often enough to etch indelibly on the Chair's mind the particular ridings that they happen to represent.

Like the previous speakers, I am concerned about the things that are happening in our country. I say this with all the sincerity I can muster. I would like to identify myself with the remarks made most recently by the hon. member for Richmond and certainly by the hon. member for Broadview.

I was particularly impressed, also with the knowledge, and the strength of the convictions of the hon. member for Timiskaming. I was very impressed with the quality of his remarks and naturally, since he is a colleague of mine, I look to him for a certain amount of leadership in these matters.

What is happening here, Mr. Chairman, is really another example of the Americanization of our country. We spend sizeable sums of money on research satellites, the C.B.C., the Canada Council, and the National Film Board for purely social reasons. Over the past three years we have spent millions of dollars on similar projects such as the World's Fair that was so successful in Montreal. We do all these things because we believe they have importance so far as our identification as Canadians is concerned, and our culture is at stake. We are willing to spend billions of dollars on public enterprises of one kind or another to preserve and enrich our culture, but on the other hand I feel that for a great number of years the policies we have followed have had the opposite effects.

The particular company with which this bill is concerned has a profoundly British name in terms of its traditions. Certainly, to most English speaking Canadians the name London and Midland Company is a good solid one, and one which I think should inspire a great deal more confidence than the amended name proposed, at least so far as the buying public is concerned.

People have tended to associate themselves, as clients, with a particular company. This was mentioned in part by the hon. member for Richmond. I believe their interest will be aroused as to what business reasons necessitated a change in the name of a company which has solid British traditions to one which perhaps has a more North American connotation. At least the London and Midland Company sounds like an insurance company whereas the Avco Company sounds like an airline company or perhaps a brand new deodorant.

I notice the reason given for the proposed change of name is to make it consistent with the names of various other members of the group of associated companies, but I am certain that the name is not really the important thing at all. What's in a name? Several finance companies in Canada have had severe financial problems in recent years, regardless of their names. For instance in my own province we have now before our courts a group of companies similar in nature to the kind of thing in which Avco and this group are engaged. Included in this British Columbia group we have various mutual funds, certainly finance companies, and perhaps trust companies of various kinds and complexions. This B.C. group is known in general as the Commonwealth group.

I agree that the failure of the Commonwealth group in B.C. has really nothing to do with this particular bill, but it is interesting to note that in spite of the solidity of its name it was called by the receiver a financial garbage can.

Failure on the part of a company does nothing to enhance the confidence of the public. Even the fact that this name "Commonwealth" was so prominent among this group really did nothing to save the company from failure. I believe what is happening here is that some members have recognized the inconsistency of my argument. However, I do not think that is the main point. We can see that by this sort of manipulation of names, capitalization and so on, as well as other little stunts such as intercompany transactions, these companies are doing nothing to improve the kind of situation I thought we were attempting to improve in this country. I thought we were attempting to build a very solid financial structure upon which to base the kind of expansionist policy in our economy that we so desperately need, especially when one considers the extreme nature of the employment situation today. Unemployment is not a problem only in my province. I am sure a number of other provinces are a great deal worse off in this regard. In any event, there is a growing distrust among the public of our financial institutions generally. The reason behind this is not just the failure of various financial institutions but also results from the fact that there are numerous little manipulative arrangements which go on from time to time which people do not understand. Some of them are interesting, and it even takes years for the courts to understand them.

• (5:50 p.m.)

We are concerned with the type of arrangement of our finances that will have a beneficial effect on our economy. If we continue to play around with this kind of thing, and if members on each side of the house concern themselves mainly with passing a particular measure regardless of its long term consequences, I do not see how we can make any progress. In fact we are wasting money on these changes. In this country we are faced with galloping interest rates. The hon. member for Timiskaming stated that the field in which this company is engaged is an extremely lucrative one, although it may not be lucrative to everyone. However, if one happens to be in a position of command and has the necessary knowledge it can be lucrative for him. This is not so in all cases. It was not so in the case of my constituent who lost $10,000 or more in a recent transaction because of our failure as a government to guarantee the type of protection needed to guard against violation by a member of a financial institution of the principle of protecting the money of the investors.

Mr. Lind: Mr. Chairman, I wonder whether the hon. member would permit a question.

Mr. Rose: Certainly, Mr. Chairman.

Mr. Lind: I fail to connect the remarks of the hon. member concerning this loss of $10,000 with the change of name of this company. I understand that this company, the London and Midland General Insurance Company, is a respectable company which has never been in bankruptcy. I wonder how he connects the $10,000 his friend lost with this company.

Mr. Rose: I shall be glad to attempt to relate this for you. I was just giving this as an example of the kind of financial jungle which is operative in our country. My friend, or my constituent, happened to lose his money through an investment in a Canadian institution. This type of transaction not only involves him as a person but also shakes the confidence of people all over the country in the kind of arrangements we make for the protection of people who happen to make investments of this nature.

Mr. Lind: Mr. Chairman, may I ask the hon. member for Fraser Valley West what the situation in respect of this particular gentleman who lost his money has to do with the change in the name of this insurance company.

Mr. Rose: I attempted to explain to you the connection. If I have been vague or if you have been unable to understand the answer I would be very pleased to ask if you made yourself quite clear. I am wondering whether there is any connection between you and this particular insurance company about which we are speaking.

Mr. Lind: You did not ask that.

Mr. Rose: I am attempting to demonstrate to you that this kind of manipulation of names and shaky financial situations are some of the things which destroy the confidence—

Mr. Lind: Mr. Chairman, I object to the hon. member using the words "shady financial manipulation". There is no shady financial manipulation.

The Deputy Chairman: Order. Is the hon. member rising on a point of order?

Mr. Lind: Yes.

The Deputy Chairman: The hon. member for Middlesex on a point of order.

Mr. Lind: Mr. Chairman, I object to the remarks of the hon. member for Fraser Valley West when he implies there is shady business in respect of the change of a name merely from London and Midland General Insurance Company to Avco Insurance Company. This company has never been in bankruptcy. It has enjoyed doing business in the city of London. It is a respectable company which has been in operation for a number of years.

Mr. Rose: On a point of order—

An hon. Member: Six o'clock.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

FISHERIES

ESTABLISHMENT OF FRESH WATER FISH MARKETING CORPORATION

The house resumed consideration of the motion of Mr. Lang (Saskatoon-Humboldt) (for the Minister of Trade and Commerce) for second reading and reference to the standing committee on fisheries and forestry of Bill C-148, to regulate interprovincial and export trade in freshwater fish and to establish the freshwater fish marketing corporation.

Mr. Peters: Just before the adjournment hour, Mr. Speaker, I was pointing out that this bill will have very far reaching effects in the development of the fishing industry where fishing is not now of commercial importance. The government will find itself involved in a very large operation before long. I concur with the previous speaker who indicated that the government would be very wise to be cautions in respect of capital expenditures for the establishment of this corporation. Changes will take place in respect of fish production and processing. This board will have to concentrate on selling fish to Canadians, and Canadians are not notably fish-eating people. Canadians have never taken advantage of this natural resource.

I am proud of the work done by the Department of Fisheries on the methods of production, utilization of fish products and the issuing of pamphlets regarding culinary arts in respect of fish. I hope this effort continues. As a result of the establishment of this Crown corporation the government will be in the position of guaranteeing grades, freshness and suitability of products. In this country we have been provided with an inferior product, with a resultant decrease in the use of fish and its desirability. The government will also have to engage in a sales program of this Canadian product to Canadians and to export markets. In this regard it will face problems in respect of the saltfish market. I suggest before long this measure will be amended to cover the saltfish industry in Canada.

If the government attains success in the marketing of freshwater fish it will very shortly hear a clamour from the saltwater fish industry to provide the same type of service. I am sure this proposal will be amended before long to include that industry.

In closing, I should like to refer to the Indian population and the role that it could play in this field. Many areas in Manitoba, Northern Saskatchewan and Northern Alberta have Indian populations now engaged in commercial fishing. As a result of the enactment of this measure and the increase in markets in North America for freshwater fish, the Indian population will treat this industry in a little different manner.

The native population in Northern Ontario has never engaged to any great extent in commercial fishing. In many cases they do not have the knowledge or the equipment to fish commercially. In northwestern Ontario fishing could, and probably would, be a source of income for those who participate on a commercial basis.

The Minister of Indian Affairs and Northern Development (Mr. Chrétien) will have to take some interest in this measure. Success in this regard will require that hon. minister's co-operation because we could capitalize on the commercial production of fish as a source of income to the native population. There will have to be an influx of capital in these areas to provide a satisfactory economical development in this field.

This measure reminds me of the legislation in respect of feeds and grain. That measure had a great deal of merit and even more support. In my opinion it was very worthwhile, but it was not carefully considered. When this bill is referred to the committee I hope hon. members will consider the changes it will bring about in commercial fishing in those areas not now considered as economical

fishing areas. It will be absolutely necessary to conduct a study as to how to ensure a steady flow of fish products to the markets.

In the future we will have to find steady markets and ways to reduce the spread between the cost to the consumer and the sale price to the producer. We must at the same time maintain fish products of high quality, both in respect of production and type. The solution to these problems will require the attention of those people who are best equipped in this field. These questions will task the ingenuity of the minister and his officials.

Those hon. members who represent saltwater fishing areas will probably be able to advise members of this committee. However, I hope they will not demand an expansion of the crown corporation at this time but will co-operate in seeing that it becomes a success. It is my belief that if we can succeed in the limited and controlled markets that we have in Chicago, Toronto and the hinterland of the North American continent we will also be able to apply the same type of marketing legislation to much broader areas.

• (8:10 p.m.)

I therefore hope the minister has in mind some very good people for the operation and development of this board. I congratulate the minister for the attention he has paid to the report of the McIvor commission which made the recommendations that in the main appear to form the basis of the legislation and the powers of the board.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, having had the opportunity to study this bill, a couple of questions come to mind in connection with it. Bill C-148 will, of course, result in the setting up of a corporation for the marketing of freshwater fish. I am in favour of the general principle of the bill. I am very much in favour of the ideals which are set out in the bill, but there are some questions I would like to raise in connection with it and two or three observations I would like to make with regard to this subject.

First of all, as my friend and colleague, the hon. member from the province of Prince Edward Island said this afternoon, if a marketing board can achieve the ideals set out in this bill we will certainly not be reluctant to give praise where praise is due. The aims of the proposed legislation should result in a very much better situation in respect of the marketing of fish and should work to the benefit of the fishermen in various parts of Canada.

However, there are some observations I would like to make in connection with the proposed legislation having in mind the fishermen who will be affected by the provisions of the bill. First, Mr. Speaker, I wonder why the legislation was not drafted in a much broader way. I am required, of course, to speak only to the terms of the bill. There are other aspects of the Canadian fisheries which should perhaps be considered, but I will confine my remarks to bill C-148. There is in the bill one phrase that has stuck in my mind. It is one that has been in my mind since I entered this house last September. Since that time I have listened to several ministers talking about our fisheries, specifically the Minister of Fisheries (Mr. Davis), of course, and his colleague the Minister of Industry, Trade and Commerce (Mr. Pepin). I have always been fascinated by one concept which seems to be popular in Canada. I refer to the statement made on page 7 of Bill C-148, in Clause 15 (1), as follows:

> The corporation shall conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament.

This phrase has received a great deal of attention from the ministers I have mentioned. Not too long ago our Minister of Fisheries while in Boston observed that the Canadian fishing industry must pay its way. This remark gave to the American people the impression that the fishermen of Canada are the recipients of a great deal of welfare and have to depend upon government hand-outs in order to survive. I do not feel comfortable about this statement because I am one who has a great deal of respect for our fishermen. I think this remark has painted the fisherman of Canada as being a person receiving from the government half of the money he needs in order to live. I am sure the minister did not intend to convey that impression, but it was the impression we received after reading what he said.

Several weeks ago the Minister of Fisheries admitted to the committee that a guarantee had been given to the government of the United States that certain assistance which was being rendered to the Canadian fishing industry would not continue. An agreement was made between the Canadian government and the United States government that the government of Canada would not continue to assist the fisheries in certain ways because it might appear to the United States government that the Canadian fishing industry was being

heavily subsidized. Consequently, this would be sort of a black eye to American fishing interests.

I am wondering whether there is more to the phrase "self-sustaining" than one would imagine. I have a feeling there is a great deal more behind this phrase than meets the eye. This is the reason I am a little concerned about it. Any fisherman in this country must wonder whether this phrase is used because of Canadian policy with regard to our fisheries or to comply with American policy. This question must be in the minds of many Canadian fishermen. I would like an answer from the Minister of Fisheries, his parliamentary secretary or the Minister of Industry, Trade and Commerce who is responsible for the proposed legislation. What is the purpose of this statement?

We can of course see that there is a clause in the bill that will allow the corporation, when set up, to borrow $5 million. If one thinks in terms of the corporation surviving, one would say there is no danger of a great burden being placed on the fisherman because, under the provisions of this bill, the corporation may borrow up to $5 million from the banks or the government.

However, Mr. Speaker, will there not be situations under which the government will have to guarantee that it will assist any aspect of the Canadian fishing industry in the event of an emergency? For example, in the 1940's, and later by a revision to the act in the early 1950's, the fisheries prices support board was set up. The purpose of the board was to assist any aspect of the Canadian fishing industry which at that time was lagging behind or was not in a good, viable position. Anybody involved in Canada's fishing industry, any member of parliament whose constituency is concerned with the fishing industry, can think back and recall a number of ways in which the prices support board has come to the assistance of our fishing industry.

On the one hand we have the prices support board which guarantees that under certain emergencies, given certain world marketing conditions, competitive conditions, and so on, it will assist in keeping alive any aspect of the industry until it can stand on its own feet. Of course, every fisherman, merchant and person involved in the industry wants this assistance to be available. Now, we have a proposed pice of legislation which seems to contradict that principle completely and says that in no circumstances will the government take any action to assist the industry after the corporation is set up, because the corporation must be a completely self-sustaining entity.

There is no guarantee of any kind of government assistance under any circumstances, no matter how badly assistance may be needed. This strikes me as peculiar and I am wondering whether it is a case of the Canadian government setting high standards for this corporation. This is, of course, a very good thing because every fisherman and person involved in the industry wants the board to be effective. If this is the purpose of the legislation, well and good. We are saying to the corporation: Under certain terms of reference and responsibilities we want you, the corporate body, to stand on your own feet and conduct your own affairs. We want you to assume this responsibility and be a self-sustaining, viable entity. This is fine; this is a great ideal and is the sort of expectation any government should have in respect of a crown corporation.

• (8:20 p.m.)

But if the purpose of this objective is just to satisfy persons in other countries who have particular interests in fisheries and are not willing to state their own policy on their fisheries, then I am not in favour of it. In other words, I have a feeling that the Government of Canada is actually stating what is called a Canadian policy but it is actually only a reflection of some one else's policy.

There are several points on which I should like to elaborate. For example, I am wondering what interest a fisherman would have to pay on loans which he might receive from the corporation. According to the proposed legislation, the corporation will be given authority to make loans to any fisherman or to any person involved in the fishing operation. Likewise, of course, the government will be given authority to make loans of up to $5 million available to the corporation, but there is absolutely no mention anywhere of the interest which is to be paid on these loans.

I am sure the government is not asking the fishermen or the corporation to go on a blind date. I do not think that any minister of the crown, apart perhaps from the Prime Minister (Mr. Trudeau), would enjoy this kind of activity, so why should we ask the fishermen of Canada to get involved in this kind of affair? So, I am asking the minister, in response to my inquiry, to make some reference to the interest rates which would be charged. Certainly, we are not going to charge any

fisherman who is going to borrow from the corporation an interest rate of nine or ten per cent or even higher, because those are the interest rates being paid today in Canada.

I have indicated, for example, that there is no mention here of any government assistance in an emergency situation. Also, there is no mention of fishermen. Having read this proposed legislation, I wonder if it is designed to set up a corporation or if it is designed to assist fishermen. There is an important difference. I have a feeling, for example, that the only important thing in this bill is the corporation, and that is just another way of providing a few jobs for a number of people who are not already earning $25,000 or $30,000 a year. This is the sort of thing with which I am not too happy.

As the hon. member from Prince Edward Island said today, there is no mention here of the actual fishermen involved. There is no advisory body to help the board to gain a knowledge of the industry, and thus aid in the decisions of this corporate body. There seems to be no indication of guaranteed prices and no guarantee that the fishermen will receive a return from their labour investment which is the procurement of fish. I see no indication here that the fishermen are the focal point of interest, and that is all I am concerned with. I do not give a darn about the corporation. The corporation is only a means to an end which is to benefit fishermen, and we are in favour of this. However, I see little evidence in this proposed legislation of interest in the man who is the prime reason for the existence of the corporation, namely the fisherman.

My last observation is about the confusion which seems to exist regarding jurisdiction over the Canadian fishing industry. I am sure the Minister of Fisheries will be happy to hear what I have to say on that subject, or at least my feelings on it. Early in the last session on a number of occasions I and a number of members of the house, even some members of the Liberal party, asked questions of the Minister of Industry, Trade and Commerce regarding the marketing of fish. On a number of occasions the minister made eyes at the Minister of Fisheries regarding the latter's position, and although he might have had a keen interest in the marketing of fish he did not seem to know too much about it, at least I did not receive much response. Several times the minister indicated he would answer my questions tomorrow but as yet I have not received any answers from the Minister of Industry, Trade and Commerce regarding government action to stimulate the fishing trade in North America. Now, we have this bill before the house. Originally, I thought it would be presented to the house by the Minister of Fisheries, but then I found it was to be proposed by the Minister of Industry, Trade and Commerce.

I am wondering now whose responsibility the marketing of fisheries products is. On inquiring I found that the Minister of Industry, Trade and Commerce is responsible for marketing fish outside Canada and the Minister of Fisheries is responsible for the marketing of them within Canada. There is ample evidence in the bill that the Minister of Industry, Trade and Commerce is responsible for the marketing of fish outside Canada as well as for interprovincial marketing. There seems to me to be a measure of confusion here. I would like to see the ministers responsible put their heads together and specify exactly who has the jurisdiction over the Canadian fishing industry. I would like to see the Minister of Fisheries have this responsibility, which I do not think he would shirk. We are talking about the same product and we are talking about it in Canada. This is not an export problem but rather an inter-provincial or an intra-Canadian problem. Consequently, I do not see any reason for the confusion which is evident here.

It is obvious that the Minister of Fisheries has a keen interest in this matter since he has been the only minister present in the house today since debate on the bill commenced. So, I would like to see the minister responsible give some consideration to this matter and seek to eliminate the confusion.

I could go on for quite some time making specific observations about a number of other sections of bill C-148 but I think other hon. members commented on most of the points to which I would have made reference. I would certainly like a reaction later on the viability of the Canadian fishing industry.

Mr. John Burton (Regina East): As a member from western Canada and as a member from Saskatchewan I welcome the legislation that is now before the house. As a member from western Canada, I welcome it because I think it extends some hope to those people and to those communities having a vital stake in the future of the fishing industry. In western Canada there are many communities and many fishermen who have found themselves at the mercy of a small number of people who have controlled the buying of the fish

they had to sell. A large portion of the fish caught in western Canada has been exported to the United States, and a great deal of that has gone to the Chicago market. As is well known by some people, there has been a difficult marketing situation there, one which in fact has resulted in a very low level of returns to the fishermen of Saskatchewan and western Canada for many years.

I also welcome this legislation as a member from western Canada because I know of the great similarity which exists between the proposed corporation and the structure and operations of the Canadian Wheat Board which has served western Canada so well over the past number of years. This is not too surprising in view of the fact that this bill arose in large part out of the work of the McIvor commission and, as is well known, a man by the name of McIvor had a great deal to do with the Wheat Board in past years. I think that this lays a good foundation for a possible solution to the problems that have been faced by fishermen in western Canada.

As a member from Saskatchewan I also welcome this legislation because in fact it represents an extension of efforts that have been carried on in our province for some years. As was referred to by some hon. members previously, it is now some 20 odd years, or about 24 years, since an attempt was first made at orderly marketing of fish products in that province.

The first attempt took the form of a fish marketing board, later succeeded by a fish marketing service, which some ten years ago was converted into a co-operative fish marketing service. These agencies performed a very useful function in bringing a good deal of stability to the communities and people who are involved in the fishing industry. However, at the same time it has to be recognized that the work and the objectives of such an agency operating only within one province were very limited. This agency could not do the things that might have been possible if the scope of operations had been extended on a wider scale.

• (8:30 p.m.)

Thus it is a welcome development, this proposal to set up machinery which will be able to operate across a large part of Canada. I would certainly be in favour of the suggestion, put forward by other speakers today, that it might even be desirable to extend the scope of the arrangements still further at some time in the future.

This program, as has already been pointed out, could be of great assistance to people of Indian ancestry who are involved in the fishing industry. It could do a great deal to improve the economic position of communities in which large numbers are of Indian descent.

As hon. members realize, this bill arises in large measure out of the work of the McIvor commission and the recommendations which it placed before the government. There is no need to refer at this moment to all the recommendations which were made, but there are certain points to which I should like to draw the minister's attention.

One of the recommendations was that the board accept delivery of freshwater fish only from the fishermen. My reading of the bill leads me to believe that this will in fact be the case. I think it is of considerable importance that the board should deal only with those who are actually doing the fishing. I mention this aspect because it is possible in this industry, as in so many others, that there could be invasion by outside commercial interests which have no particular concern for the welfare of the industry itself other than the protection of their investment and profits. I should like to feel confident that in the future this agency will be used to serve the people who are actually fishing on the lakes and streams and that it will not be used for the benefit of some commercial interest which simply happens to employ a large number of people.

A further recommendation of the commission was that the board should determine and make a final payment to the fishermen after all the fish have been sold. This is a system which is obviously patterned upon the arrangement followed by the Canadian Wheat Board. I am not altogether clear about the situation from my reading of the legislation, particularly clause 24, but I should like to be assured that the payments will be made directly to the fishermen and that no intermediate agency will be able to get its hands on money which belongs to the fishermen by right.

The commission also recommended that the Canadian government make a formal approach to the government of the United States in an effort to agree on a method of inspection of white fish which would be mutually satisfactory. I understand this would probably involve a considerable amount of negotiation and difficulty due to some of the parasite infections which have affected some

of our fish in the past. I should like to hear from the minister whether such negotiations have in fact been commenced.

Another recommendation was that a co-operative educational effort be made by all levels of government to acquaint the fishermen with the operations of the board. I support this recommendation and think it is important that such efforts be made by the government and by the new board. I think I can say from my own background in Saskatchewan, and as a supporter of the political party which first introduced orderly marketing in the fishing industry, that one of the things learned from experience was the necessity of doing more educational work to inform those affected of the benefits of the action which is being taken.

The commission further recommended that research pertaining to freshwater fish and freshwater fish products be continued and expanded where desirable. In my view such expansion is necessary; reference is made in the report again to some of the infections which have affected the quality of our fish.

Finally, a recommendation was made that the opening and closing of fishing seasons on lakes be determined collectively by the governments concerned in order to facilitate the co-ordination of supply and demand. I note from the minister's introductory remarks that the decision has been made, apparently, to leave these decisions in the hands of the provinces. I can understand that acceptance of the recommendation would have involved negotiation with the provinces. The government may have decided to try to achieve the desired results through voluntary co-operation rather than through any attempt at direction from the federal level. Nevertheless, I am concerned about this point because by the very nature of the wording of the recommendation the commission showed concern about the co-ordination of supply and demand in this context. I believe further consideration should be given to this aspect and I would appreciate hearing the minister's comments on it.

I conclude by repeating that we welcome this legislation. It will not automatically solve the problems which face the fishing industry. There is room for further extension and expansion of the activities of the corporation once it has gained some experience in its operations. I certainly hope that its work will be to the benefit of the people of Canada.

[Mr. Burton.]

Hon. Jack Davis (Minister of Fisheries): Needless to say, I support this legislation.

Some hon. Members: Hear, hear.

Mr. Davis: I support any legislation which, in addition to helping to stabilize the fishing industry will also, in the years to come, help to increase the incomes of fishermen.

In the case of fishermen on the prairies and in the northwest territories, we need one particular device. Essentially, it is a device for single desk selling on the United States market. This will enable us to improve the condition of the industry and provide a better return to the fishermen themselves. In other words, this bill and the corporation which will be set up as a result of it, will put us in a stronger bargaining position in the United States; it will enable us to streamline the process of the manufacture and transportation of fish products and will provide a better return to fishermen and a more certain price for their products.

I am not convinced that this device is the only one which can be used. It is certainly not one which we should use in all parts of Canada. Reference has been made to the fact that this particular legislation, for the time being at least, will cover northwestern Ontario, the prairies, the northwest territories and the Yukon. It does not cover all Ontario. It does not cover the fishing on Lake Erie, for example, where in the last few years the catch of perch has been growing rapidly. It has been growing under the impetus of private enterprise, and it is proving very successful, because of the selling initiatives including the use of wholesale and retail channels in the United States, the use of well known brand names, and so on.

• (8:40 p.m.)

Our supply of fish, on and off, has been in a surplus position, but looking ahead some years I think the supply will fall behind market demand. I think the time will come when fish will increasingly be in short supply rather in surplus supply. In other words, the long term prospects are good, but we have to get through an intermediate period, which may run for five or ten years and use various devices to improve our bargaining position.

The market price in the United States of late has remained roughly constant or has increased slightly; it certainly has not fallen. At the same time, and in marked contrast to this the return to the fishermen of Canada—this is particularly true of our salt water

fisheries—has actually gone down. Usually the trade has been able to maintain prices to the fishermen, but the processors and distributors, caught in the middle, are in difficulties. This is the case today in Newfoundland. It has also been true as well of our freshwater fisheries.

It is true that we must improve our efficiency. We can do this in respect to catching methods, processing, the collection of fish, refrigeration to preserve quality and distribution. The corporation proposed in this bill will do that. It will be doing it, I expect, in a more efficient manner than the slipshod, relatively primitive, and unorganized way which has characterized most of our freshwater fish operations. There have been efficient operators and there are a few first class companies but, by and large, it is still an industry in a relatively early stage of development. By moving in with a single agency which will look after collecting, processing, interprovincial and international trade, we are doing what was done years ago with respect to wheat. We are enabling the fishermen—in the former case it was the wheat farmers—to get a better break, and over a period of time to make their product one that is highly desirable and will attract premium prices.

Through this single desk operation we will be able to do several things. Not only will we be able to bargain more effectively in the markets of all of North America, but we will also insist upon quality products, provide refrigeration and other plant necessary to preserve fish and maintain quality, as well as avoid duplication by streamlining facilities and arranging for higher load factors in plants, thus making the maximum use of our transportation system. Certainly, in this way the fisherman will enjoy the greater certainty of knowing what the floor price will be for the coming season. At the end of the season, if the corporation has been able to market fish at a higher price, the fisherman will get a supplementary payment. In other words, he will be receiving an income that he can predict with some certainty, and with greater accuracy than he could before, and will receive an income with which he can plan and invest.

This corporation will also be assisting the fisherman to finance his operations. It will grubstake him, in loose terminology, and assist him by paying for such things as fuel, his nets and so on. As I undertand it, the corporation will not be helping him to buy a new boat or to make an even more substantial investment in new plant and other fixtures. I hope that our own improved Fisheries Improvement Loans Act and the legislation respecting the fishermen's indemnity plan, which covers the risk of losses and so on, can be used for this purpose by the fishermen. I also notice that perhaps the department of northern affairs will be able to assist our native people, the Metis and others, in the financing of boats and so on; but basically I expect that the same improved capital assistance and insurance programs which are available right across the nation will be used in this case as well.

The hon. member for Gander-Twillingate (Mr. Lundrigan) raised several points which I think are quite relevant. He referred to a speech that I had made in Boston about the fishing industry standing on its own feet. I hope that it will stand on its own feet and I am sure that he looks forward to the time when it can and will stand on its own feet.

Certain industries in this country are doing quite well at the moment, though we have others that are in some difficulty. It is the role of the government often to help industries adjust to new and changed circumstances, but I should like to see industries given adjustment assistance rather than perpetual assistance. The hon. member comes from an area where part of the fishing industry, at least, does need adjustment assistance. It needs assistance not on an ad hoc basis, a sort of band-aid, temporary basis implemented in the late spring of the year and terminated in the late fall of the same year; it needs a five, 10 or 15 year program. This is what industries like the salt fish industry on the east coast require.

It occurs to me that perhaps this particular industry also needs a salt fish marketing corporation similar to the freshwater fish marketing corporation. But such a body would have to be tailored to the particular circumstances, geared to improving the incomes of our fishermen, helping stabilize their industry, giving them a base from which they can plan ahead and helping rationalize and streamline the processing, sales and transportation phases of the industry so that returns from the market are greater.

Another big problem, one that is not totally confined to Canada, is getting a larger share of the retail price for goods sold outside the country. There are various ways of achieving this. Perhaps in one case it is achieved through the establishment of a crown corporation. Undoubtedly it is achieved through well organized, competent co-operatives and

corporations whose operations are integrated right across the United States, doing whatever further processing is required and selling their own brand name products from one coast of the country to the other. With this sort of arrangement we would get our fair share of the retail price that is paid by housewives in the United States and Canada, and as a result our fishing industry would be much healthier.

In turn, our industry would be able to lend itself to more predictable operations, attract more money, buy better plant and equipment, and as a result we would all be better off.

There is a division of labour, naturally, between departments. For example, the Department of Fisheries administers the Fisheries Act, the Fisheries Improvement Loans Act and so on. Basically, the Department of Fisheries looks toward the fishermen and the fish processing industry of this country.

The department of trade and commerce, which is now the Department of Industry, Trade and Commerce, is responsible for international trade, particularly for the promotion and development of expandings markets and the securing of a fair share of markets abroad. Since interprovincial trade is also trade, I would say that, to some extent at least, the Department of Industry, Trade and Commerce has an important responsibility there as well.

The legislation setting up the freshwater fish marketing corporation is joint legislation with the provinces. The provinces are taking an inward look and will be responsible for the redevelopment of plants, the acquiring of property within the provinces, and so on. So that in some measure, the provinces will be doing what the federal Department of Fisheries may do in other areas. As I have said, fisheries department also has an involvement. Certainly the fisheries department is involved through its inspection service, and the federal Fish Inspection Act provisions will have to be adhered to so far as the processing and marketing of fish products are concerned. In addition, the provisions of the Fisheries Improvement Loans Act will apply, as will the fishermen's indemnity plan. So, this is a co-operative enterprise, as many such enterprises are.

I am pleased to endorse the motion of the Minister without Portfolio (Mr. Lang), speaking on behalf of the department of trade and commerce, in regard to this bill, which I think is a worthy one and I hope will receive speedy passage through the committee on fisheries and forestry of the House of Commons.

• (8:50 p.m.)

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I had no intention whatever of participating in this debate. This afternoon when I heard the Minister without Portfolio (Mr. Lang) say that this legislation applied to northwestern Ontario I thought his inexperience had probably caused him to make that remark. Tonight, after hearing the Minister of Fisheries (Mr. Davis) say this bill only applies to northern Ontario, I am completely perplexed. Clause 25(1) of the bill says:

> In this section, "province . . ." means . . . Alberta, Saskatchewan, Manitoba, Ontario or the Northwest Territories.

Mr. Peters: That is because they have no name for northern Ontario.

Mr. Rynard: Not north of Aurora, anyway.

Mr. McCutcheon: Maybe we have two jurisdictions here, although I am completely unaware of that fact. I should like to know why the fishermen of Lake Erie are precluded from this plan? I notice that the main catch, yellow perch, from that particular body of water is covered by the legislation. Although the fishermen I am referring to may be in better shape financially than some of the other fishermen that have been referred to by other hon. members in the debate this afternoon, they are not all that well off. The fishermen of Lake Erie want to know why they cannot be included in a marketing scheme, if it is good. For the last several years they have co-operated extremely well with the federal government in a quota system, and that cost the government plenty of money. Unfortunately, the money did not seem to filter down to the point where it could help the individual fisherman. Now, the fishermen from the north shore of Lake Erie want to know the how-come and why of the present situation. Are they not included because there is only one big market or only one big processor? They want to know what steps they should take to be included.

Mr. Deputy Speaker: Order, please. It is my duty to inform the house that if the Minister without Portfolio (Mr. Lang) speaks now he will close debate.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, this has been a very interesting debate in a general way. I was

delighted that the hon. member for Gander-Twillingate (Mr. Lundrigan) could come into the house for a few minutes to participate. I was surprised that he had the temerity in those few minutes to comment upon the attendance of a number of ministers who attended while he was not here. Also, he did not seem to know what was in the bill since he did not seem to know that the prime object of the bill, to be found in part in clause 23, is to increase returns to fishermen. That is the whole object of the bill, of the establishment of the corporation and of the introduction of regulations into this part of the industry.

I was also interested this afternoon to hear one of my compatriots from Saskatchewan, a socialist. I must say I would ordinarily not use that word, having thought that hon. members in that corner of the house, generally speaking, had abandoned the term. Since the hon. member styled himself as a socialist, I take the opportunity to describe him that way.

The hon. member for Battleford-Kindersley (Mr. Thompson) made the very wise observation that the success of a board of this sort, which is a crown agency, will on many occasions depend on the kind of minister who is behind it. I was a little surprised to hear that.

Mr. Lundrigan: On a point of order, Mr. Speaker. I hate to be petty because I am sure the Minister without Portfolio did not intend to mislead the house. However, I have been in the house for the entire debate. I was here until five o'clock this afternoon. The hon. gentleman indicated I had not been present throughout the debate and I am sure he did not mean to say that. He has completely misrepresented the true situation. This is a minor point but it is the kind of misrepresentation of a situation that ought to be clarified immediately.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I am delighted to accept the statement of the hon. member opposite. I did not misrepresent the fact that he did not seem to know what was in the bill. I concluded, naturally, that he would have known if he had been here during the debate.

The hon. member for Battleford-Kindersley congratulated me on several aspects of the bill and suggested that it represented some kind of conversion to the socialist cause. He does not seem to appreciate that there is a fairly fundamental distinction in the ways in which socialists and Liberals over the years have come to enact measures of this kind. The distinction lies in the nature of the men in charge of efforts like this. The socialists tend to take over ventures that are going and efficient concerns, nationalize them because that seems to be their prime objective, and run them into the ground. The Liberals use such weapons, as well as many other weapons, in order to do something for an industry or area where there is real need for improvement, as there is in this particular case.

Some hon. Members: Hear, hear.

Mr. Lang (Saskatoon-Humboldt): There were several comments this afternoon and this evening about the area involved and the scope of the bill before us. The bill mentions certain specific areas that are involved. Some hon. members who know about the intentions of the participating provinces have referred to a portion of Ontario as being involved. It is, of course, largely a matter of negotiation; it is for the provinces themselves to opt in or out, in total or in part, of the provisions of the bill. Hon. members opposite, therefore who were critical of some of the aspects of the bill should look elsewhere for the responsibility in this regard.

Mr. Macdonald (Rosedale): To people like Mr. Robarts.

Mr. Lang (Saskatoon-Humboldt): Hon. members have also said that certain provinces are not mentioned at all in the bill. The cause of that has a similar root. This corporation developed from the involvement of the provinces in the conference of dominion and provincial fisheries ministers. This corporation is to cover a particular area of the fishery.

It is noteworthy, however, that the area of the fishery covered does include by far the greatest part of the specific species of fish which are enumerated in the schedule. The proportion of fish in any area coming within the scope of the bill, compared with the total produced in that area, varies from 90 to 100 per cent because of the variety of species enumerated in the schedule. So, in fact, the corporation will be in a position to deal with the great bulk of the fish which are caught.

There were some questions about the operation of the corporation with regard to buying and selling. It is clearly the intention of the bill to make it the duty of the corporation to enter into direct relationships with the fishermen or their agents to buy fish.

• (9:00 p.m.)

The expectation is that the fisherman will be paid as close to market value as possible

for his catch. Indeed, the initial price will be as close to market value as possible, but there will still be reflected variations for kinds of fish, qualities of fish, and the average of areas in regard to the proper price of fish.

The sales of fish within an area, generally speaking under this legislation and the complementary provincial legislation, will lie entirely with the corporation. However, it will be possible and it is expected that certain direct local sales by fishermen, which will not affect the general quality or market control, will be allowed. Thus, sales to mink ranchers, to local smokehouses and local customers, may indeed be permitted. The general approach is to give the corporation significant power to deal with the various exigencies which may face it. The expectation, as I stated before, is that the corporation will make great use of private industry in all those areas where existing facilities are at hand.

There is expected to be some problem of redundancy where at the moment there is improper equipment, inefficient operation, or unnecessary duplication and the like. This question of redundancy is basically a provincial responsibility and the bill envisages the bearing of that responsibility by the participating provincial regions.

The suggestion by one hon. member was that there be some reimbursement by the corporation to the provinces for this redundancy, and of course this is not envisaged at all. The redundancy costs will be borne by the provinces, and this is part of the understanding between the government and the provincial authorities which was arrived at prior to the introduction of the bill in this house.

It is expected that the advisory council will be an important factor in the work of this corporation, and that a significant voice for fishermen themselves will be found in the advisory council.

The corporation is, of course, basically intended to be a business operation. It is not intended to be involved in other regular governmental or non-governmental activities with regard to many other facets of the fishery. The corporation is not intended to take over governmental efforts with regard to research, improvement of lake standards and the like. It is not intended to replace governmental programs with regard to education or retraining, or indeed programs specifically designed to make it possible for Indians to participate in an occupation such as fishing.

These, then, are the objectives behind this bill and I am sure the establishment of the corporation will be a tremendous help to the fishing industry of the regions concerned.

[Mr. Lang (Saskatoon-Humboldt).]

Mr. McCutcheon: Mr. Speaker—

Mr. Speaker: Is the hon. member rising for the purpose of asking a question?

Mr. McCutcheon: Yes, indeed, Mr. Speaker.

Mr. Speaker: Will the minister allow a question?

Mr. Lang (Saskatoon-Humboldt): Yes.

Mr. McCutcheon: I wonder if the minister would care to reply to the question that I posed to him?

Mr. Macdonald (Rosedale): He did. You should have been here.

Mr. McCutcheon: On a point of order, Mr. Speaker, I hear somebody saying I should have been in the house. I have not been out of the house. If the minister answered, then I am afraid my hearing is getting pretty bad.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I am having trouble with the presence and the absence of hon. members opposite but I am sure the hon. member will find the answer to the question in *Hansard.*

Mr. Speaker: Mr. Lang, seconded by Mr. Macdonald moves—

Mr. Burton: Will the minister permit another question before he resumes his seat?

Mr. Lang (Saskatoon-Humboldt): Certainly.

Mr. Burton: With regard to the minister's comment that all dealings would be with fishermen or their agents, as I understood it, I would like to ask what is the situation with respect to Indian fishermen who are members of bands on Indian reservations? Will they be able to deal directly with this corporation or will they deal with it through the Department of Indian Affairs and Northern Development?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, the observation I made was that the fish would be purchased by the corporation directly or through its agents. I did not intend to convey the impression that the corporation would be dealing with the fishermen's agents but rather that the fishermen would be dealing with the corporation's agents.

Mr. Speaker: Mr. Lang, seconded by Mr. Macdonald—

Mr. Crouse: Mr. Speaker, may I ask another question before the minister resumes his seat. During the course of my remarks I posed a question with regard to the sale of saltwater fish in the areas concerned. I asked the minister to advise the house whether it would be necessary for the shippers of saltwater fish to deal with the corporation, in view of the course contemplated in Part III, clause 21, which prohibits the buying and selling of fish without the corporation's approval? Will the saltwater fishing industry be required to sell its catch in the four provinces and one territory concerned through the corporation, or will it be allowed to deal directly with the wholesalers and chain stores as it has been doing to date?

Mr. Lang (Saskatoon-Humboldt): Fish, other than fish enumerated in the schedule, is not affected in any way by the operation of Part III because Part III in clause 20 defines "fish" as fish enumerated in the schedule. As a result, saltwater fish are in no way affected by that part.

Mr. Speaker: Mr. Lang (Saskatoon-Humboldt), seconded by Mr. Macdonald (Rosedale) moves the second reading and reference to the standing committee on fisheries and forestry of Bill C-148 to regulate interprovincial—

Mr. Forrestall: Mr. Speaker—

Mr. Speaker: I have to remind hon. members that when the minister spoke he closed the debate and that we are not in committee of the whole. However, if the minister will allow the hon. member to ask a question I will allow the debate to continue.

Mr. Forrestall: I am sorry, Mr. Speaker. My question will not be antagonistic nor will it provoke debate. I simply want to re-ask in much briefer form, the question asked by the hon. member for Lambton-Kent (Mr. McCutcheon). Would the minister advise the house why Lake Erie was not included?

Mr. Lang (Saskatoon-Humboldt): The question of which portion of any province, or whether any province at all, is included is a matter for the decision of the provincial authorities.

Mr. Macdonald (Rosedale): Ask Mr. Robarts.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question in which I feel the whole house will be interested. Can I ask in all seriousness why the Minister of Fisheries (Mr. Davis) did not sponsor this legislation?

Mr. Speaker: Order, please.

Motion agreed to, bill read the second time and referred to the standing committee on fisheries and forestry.

PATENT ACT—TRADE MARKS ACT

EXTENSION OF AUTHORITY TO GRANT LICENCES

The house resumed, from Thursday, October 17, 1968, consideration of the motion of Mr. Basford for the second reading and reference to the standing committee on health, welfare and social affairs of Bill C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act.

Mr. Speaker: The Minister of Consumer and Corporate Affairs.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I had concluded my remarks when this bill was previously before the house.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, on February 12, 1968, the former Minister of Consumer and Corporate Affairs (Mr. Turner) moved the second reading of Bill C-190 to amend the Patent Act and the Trade Marks Act. He explained that the purpose of the bill was to permit the importation of drugs from outside Canada, which would have the effect of reducing drug prices in Canada which he said were among the highest in the world.

• (9:10 p.m.)

He said this, as recorded at page 6623 of *Hansard:*

> The government now has a program which it calculates will bring about a reduction in the price of drugs to the consumer.

The former minister explained the program in three steps. First, the removal of the sales tax from drugs and reduction of the customs duty from 20 per cent to 15 per cent. Second, the removal of the barriers to imported drugs provided under the Patent and Trade Marks Act, and, third, provision of information to the medical profession relating to drug prices.

The effect of this bill is to allow the commissioner of patents to grant licences permitting the importation of prescription drugs on a more flexible basis than that which applies

at present. Where there is a delay in the granting by the commissioner of the required licence over a period of six months, provision is made for the granting of an interim licence under a patent relating to medicine.

The minister indicated the following on December 15, 1967, as recorded at page 5467 of *Hansard*. He said the objective was to—

—allow compulsory licences to import prescription drugs, having the effect of injecting more competition at the manufacturers' level in the drug industry, and beneficially affecting the prices of drugs.

Anything which can be done to bring about a reduction in the price of prescription drugs will win the approval of the public at large and this party. At the same time there must be no weakening of the protective standards expected by Canadians and to which Canadians are entitled.

As a result of this legislation, we are likely to witness the importation into Canada, under interim licences in many cases, of a whole range of pharmaceutical products bearing brand names identical or similar to those of Canadian or United States products which have undergone testing and inspection at the government level.

What assurance will Canadians have that these products bearing similar identification to Canadian or United States products have passed the same tests as products produced in this country? The question of safety in the use of drugs is a vital one. There have been instances in the past which indicate that in spite of all possible precautions, dangerous consequences can arise unless drugs meet the most rigorous conditions with regard to manufacturing standards. A case in point is the thalidomide problem of a few years ago.

The Commons special committee on drug costs and prices recommended that applicants for importation of drugs under compulsory licences satisfy the Food and Drug Directorate that in the manufacture of their product they had met the minimum requirements consistent with public health standards. Surely, this is a minimum requirement that Canadians have a right to expect. It is the government's responsibility to see that Canadians are granted adequate protection. Canadian drug manufacturers have operated on a high level of efficiency, safety and reliability for many years.

The Department of National Health and Welfare, through the food and drug division, is in close and constant touch with those who manufacture drugs in this country and in the United States. The same situation does not exist in the case of imported material originating we know not where. There will be no assurance that controls are in existence in every case or even of the nature or extent of such controls as there may be.

Mr. Roy (Laval): Nonsense.

Mr. Yewchuk: With new drugs coming on the market every day, with each new discovery bringing a rush of imitators, once you open the door to unrestricted and unregulated importation from unknown sources, the government's inspection and testing facilities will be strained to the limit.

Canadians, when they buy drugs, are entitled to know they will not be risking harm or injury. We cannot be too careful in dealing with considerations of human health.

Some hon. Members: Hear, hear.

Mr. Yewchuk: We must not break down safeguards laboriously erected over the years. In summary, my position is this: We will support any measure having as its objective the reduction of drug prices. I remain unconvinced at this moment—and I do not think the minister has made a strong case—that this measure will in fact accomplish this purpose. On the other hand, while we are prepared to give the minister the benefit of the doubt with regard to the price question, we are not prepared nor should Canadians be asked, to give the benefit of the doubt as to safety and inspection procedures. Canadians will have to have greater assurance than has been given so far by the minister that this bill will not result in a lowering of pharmaceutical standards and in the importation into this country of products which do not measure up to Canadian standards.

I am a little confused about whether the hon. member who is interjecting is supporting or rejecting what I have said. On the one hand, he appears to be supporting me and on the other hand says "nonsense". I do not know whether or not he knows the difference.

In view of the thalidomide problem of a few years ago, for example, it would seem obvious that if we were to allow importation of drugs under a wide open patent provision there would have to be a stringent tightening up of inspection and testing procedures. We should like to hear something from the minister on that score.

I am confident that every member of the medical profession, while supporting a measure to reduce drug prices at the same time

will require assurance from the government that there will not be a lowering of standards and that every possible precaution will be taken with regard to inspection and testing procedures.

Mr. Basford: You have that assurance.

Mr. Yewchuk: Thank you very much. So far, the accent has been on the question of price. We have had very little information about the procedures which the government will have to take to expand and strengthen inspection facilities in order to give the assurance to medical practitioners and consumers that safety and performance standards will not be lowered.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, before beginning to discuss the position of our party with regard to this bill, I believe I ought to say a few words about the speech we have just heard from the hon. member speaking for the official opposition. If that speech was not written by representatives of the Pharmaceutical Manufacturers Association, it very well could have been. Those members of this house who were on the committee which sat over a period of more than two years looking into the question of drug prices and drug safety—a committee which heard representations from doctors, pharmacists, representatives of the pharmaceutical manufacturers and of the food and drug administration—will know that the department found as many infractions of the standards by the large, well known companies, as they found by those companies which sell what are commonly referred to as generic drugs. So, the suggestion which is implicit in the hon. member's speech that if we restrict the use of generic drugs and leave the field open to the other companies the public will not have to worry about safety is nonsense. This was proven during the long hearings which the committee held.

Mr. Yewchuk: I rise on a point of order, Mr. Speaker. I believe the hon. member is accusing me of saying I want to restrict the sale of generic drugs. I did not make that statement.

Mr. Orlikow: Mr. Speaker, I listened to what the hon. member said. I know that if members read *Hansard* tomorrow they will see that the whole tenor of what the hon. member was saying, namely that we have to worry about safety—

Mr. Yewchuk: I have another point of order, Mr. Speaker. I feel I should reiterate that I support any measure which will reduce drug prices, but not at the cost of high standards in respect of drugs.

Mr. Orlikow: Mr. Speaker—

Mr. Speaker: Order, please. That is not a point of order. Under the rule the hon. member may have an opportunity to take part in the debate again if he thinks he has been misquoted or misrepresented by the hon. member for Winnipeg North (Mr. Orlikow). I suggest the hon. member for Winnipeg North might be allowed to continue his speech at this time.

Mr. Orlikow: Mr. Speaker, I am glad you ruled that that was not really a point of order because I suppose I could rise on a point of order to say if the hon. member—

Some hon. Members: Order.

• (9:20 p.m.)

Mr. Orlikow: I did not realize it is out of order to comment on statements made in this house by an hon. member. Certainly if the hon. member implies that he and his party are worried about the safety of drugs and they are the only ones worried in this regard, then obviously the rest of us are not worried. I reject that idea.

Let me say something about this bill. We in this party find ourselves in a somewhat strange position. We are going to support this bill and vote for it even though we do not believe—

An hon. Member: Hear, hear.

Mr. Orlikow: I see that the hon. member for Burnaby—where is it? What is his name? When I see him supporting me, I begin to think I am saying something wrong because I do not often agree with him. We are going to support this bill because it is a step in the right direction. I think I will be able to easily demonstrate that this bill, as well as the other measures the government has taken and proposes to take, will do very little to reduce the onerous price of prescription drugs which the Canadian public must pay.

This is a subject about which there can be little argument. The price Canadians have to pay for prescription drugs is much too high. Exorbitant and unconscionable prices are being charged by drug manufacturers in Canada and other countries. We have had a

whole series of careful and detailed studies conducted in this and other countries. In this country we have had studies conducted by the Restrictive Trade Practices Commission, by the Ontario government committee on drugs and by the royal commission on health services which was appointed by the former Conservative government. As I listened to Conservative members speaking about the various aspects of this matter with which that commission dealt, I came to the conclusion they were sorry they ever appointed Mr. Justice Hall to conduct that inquiry. We have also had a study by a special committee of the house on drug costs and prices on which I and other members of the house served. All of these bodies came to the same conclusion; that the price of prescription drugs is too high and the drug companies are making too much money. I have had the opportunity of looking at some recent examples of the fact that these drug companies have not mended their ways but still gouge the public as they have always done. Smith, Kline and French, one of the respectable companies, makes a drug called stelazine. I suppose the hon. member who spoke before me would commend this company. This is one of the important tranquilizers on the market today. It is made by a United States company at a cost of $1.32 per thousand tablets, and sold to Canadian consumers in 50 tablet lots at a price which brings the drug company $125 per thousand. I leave it to members of the official opposition to calculate the margin of profit.

Thorazine, another drug sells in Paris at $1.08 for 100 tablets, in Rome for $2.40, in Mexico for $4.80 and in the United States for $6.06. You could add 15 per cent to the U.S. price to get the price of this drug in Canada.

Another one of these international companies is Schering, which manufactures meticorten. One hundred tablets in the United States sell for $17.90 and in Berne, Switzerland, where the parent company has its offices, for $4.37. In Rome, they sell for $12.20 and in Canada for $22.70, almost five times the cost in Berne, Switzerland. This is the kind of thing which goes on.

In late 1967 a group of New York city drug companies were prosecuted by the United States government for illegally combining to set the price for tetracycline, one of the most important antibiotics prescribed by doctors. The cost of manufacturing 250 milligram capsules was $1.52 per hundred. They were sold by those five companies in the United States, which either made them or had a cross-price arrangement with the company that produced this tetracycline, at $30.60 per hundred.

It is some years since I worked in a drug store but I am certain that the minimum price which a patient would pay for a drug which cost $30.60 cents per hundred would be $45. The patient would pay $45 for a drug used to save lives which cost the manufacturing company $1.52 to produce. This is the kind of thing that is happening. Those companies were prosecuted and were found guilty. This kind of thing takes place and has led to the numerous inquiries we have held. I am sure it is the feeling of all the members of this house that we must do something drastic in order to bring down the price of prescription drugs in this country.

The committee of this house found that the high cost of drugs resulted from the high rate of profit obtained by the manufacturing companies in this and other countries. The evidence of this is on the records of the proceedings of that committee. That committee found that the drug companies in this country were spending about $5,000 per doctor per year for advertising. They do not call it advertising, they call it the cost of detail men. What is the job of a detail man?

A detail man goes to the doctor and convinces him that he should use chloromycetin instead of aureomycin, even though they do the same thing. About $5,000 per doctor per year is spent by drug companies on this kind of advertising. It is not very difficult to figure out who pays that expense. It is not paid by the drug companies, it is paid by the customer or the patient. The cost of detailing or advertising is added to the cost of selling the prescription to the patient. About 30 cents of every dollar the drug companies in Canada spend is spent on selling the product to the doctor, not to the customer.

We will never obtain proper drug prices until the government of Canada amends the Income Tax Act and puts a ceiling on the amount of money drug companies can legitimately claim as advertising expense.

An hon. Member: Why stop at the drug companies?

Mr. Orlikow: It is necessary that we start somewhere. We have looked into other fields. We have considered newspapers and magazines. We have to start with drug companies

because of their importance. I am sure the people of Halifax would agree with me in this regard in spite of what the hon. member for Dartmouth seems to think.

We have been told, of course, that if we pass this kind of legislation we will stifle scientific research and that the drug companies will not be able to spend as much money on research. The evidence we received at the hearings of the committee was to the effect that the drug companies have never spent very much money on research. We were told that Canadian drug companies have been spending 2½ cents of every prescription dollar on research at the same time they have been spending 11½ cents on promotion and advertising. So, again, we ought not to worry about the drug companies in this respect.

• (9:30 p.m.)

The government proposes to take a number of steps, of which this bill if passed will be one, to try and bring down the price of prescription drugs. What are the steps the government has taken or proposes to take? There was the removal in September, 1967, of the 12 per cent sales tax on prescription drugs. There is no question that this led to a reduction in the price of prescription drugs, but the reduction was far below the 12 per cent sales tax which applied to prescription drugs. As a matter of fact, statistics of the Dominion Bureau of Statistics some time after the 12 per cent sales tax was removed indicated that only half of the tax decrease was passed on to the consumer in the form of lower drug prices.

I am told and I am certain—if anybody questions what I am about to say I can at a later date bring the evidence to prove it—that the price of a very substantial percentage, if not all, of prescription drugs has risen since that tax was taken off. Therefore drug prices are nearly, if not entirely, back to what they were before the 12 per cent tax was taken off.

Second, the Department of Industry established the pharmaceutical industry development assistance program which was supposed to provide loans at commercial interest rates to firms in the industry, mainly the small, generic drug producers, to improve their competitive position by mergers and thus rationalize production. The amount budgeted for this program was $2 million. This, together with the financial terms under which the money was available, really made a mockery out of any attempt to help the small company. Therefore, this program did not work.

Then, it was proposed unanimously I think by the committee chaired by Dr. Harley, who was then the member for Halton, that if we were to get the price of prescription drugs down, if we were to get generic drugs used more extensively, we could not expect, and this is probably the only thing that the previous speaker suggested with which I agree, doctors to use generic drugs instead of brand name drugs produced by the large companies unless they could be certain that the generic drug was as good as the brand name drug. You cannot expect a doctor to prescribe a generic drug, meprobamate, if he does not know that meprobamate is as good as equanil. How can he know this?

There are two things that have to be done, and the committee made it very clear that they have to be done. First, the food and drugs organization must have the facilities, staff and equipment, by arrangement with university medical colleges, to carry out sufficient testing so they can be certain that the drugs used are adequate. With regard to the question of safety, I do not think any prescription drug should be sold in Canada if it is not safe, whether it be cheap or expensive. I think poor people who have to go to hospital and dispensaries in out-patients' departments where they use generic durgs are just as entitled to high quality drugs as the rest of us who go to neighbourhood pharmacies. We ought not to sell any drugs which are not safe.

The way to make sure that drugs are safe, and the committee made this very clear, is to give the food and drugs administration the ability to test drugs. We are caught in a financial squeeze. We have to be careful; we have had to cut the budget, and therefore the food and drugs administration is not getting the money which the committee said it needed.

The second thing that is necessary, and without this second step all the other steps will be useless, is this: Unless the doctors of Canada know that the generic drugs available in Canada are safe, they will not use them. I do not blame them for this; I think they are right. I believe a doctor should be concerned about the financial ability of his patient to buy the drugs which he prescribes. I believe most doctors are concerned about that. But the first concern of the doctor is, and should

be, that the drug he prescribes is of high quality.

How is the doctor to know that there is available a generic drug? He will not know it from the detail men, I know the detail men will not only not tell him about the generic drug but will do everything possible to convince the doctor that the generic drugs are not safe; that they are of poor quality; that they have not been properly standardized and all the rest of the horror tales that the medical profession has heard for years. The detail men who work for a particular company are like any other salesmen. They are like the Ford salesman who tells the prospective car buyer that Ford is the best car, or the Chrysler salesman who tells the same prospective buyer that Chrysler is the best car. This is what detail men do. This is their job, and I do not blame them for it.

An hon. Member: They are hucksters.

Mr. Orlikow: They are hucksters, exactly. How can the doctor know there is available a meprobamate or an antibiotic of high quality which is cheap? He can only know it if the department, which does not represent a particular company in the industry, has an information service. I do not mean the kind of information service that we are becoming accustomed to in this house, where every minister has his own P.R. man who is trying to convince the Canadian people that the minister is the best the department has ever had. I mean an information service that will distribute factual information to the doctors of this country.

What has happened? Again we are caught in this cost squeeze and do not have the money. When are these information bulletins going to be published? How will they be distributed? We do not know, because the poor minister is being told by the Minister of Finance (Mr. Benson) that he had better go slow because the government just does not have the money. I say, as I have said from the time the committee was first established, that the expenditure by the government of Canada of a relatively small amount of money would save tens of millions of dollars for the Canadian people. Having said that, Mr. Speaker, the house will understand that the proposals the government has implemented, those they are proposing today and those they still have to propose, are really not going to do very much to solve this problem.

I now want to speak very briefly about what we think ought to be done if we are to bring down the cost of prescription drugs. The details will be dealt with by some of my colleagues who will be speaking later in the debate. In my opinion, these specific proposals should be followed. Most of them have been proposed by others, by the people who worked for the Kefauver committee and people like Mr. Douglas Fullerton who is well known and cannot be radical about all things because he has had some pretty important appointments from the Liberal governments.

• (9:40 p.m.)

He went into this question pretty extensively and has made some specific proposals. I want to indicate some of the things which we think should be done if we are really serious about bringing the price of prescription drugs down for the Canadian consumers. First of all, we think that brand names for all new drugs should be abandoned and that new drugs should be used and sold through the use of the generic name. If there is one thing which we must keep in mind, it is that the doctor is the key to the prescriptions which are used. The patient has no choice. After the doctor sees the patient, he writes the prescriptions, and if he uses a brand name the druggist has no choice. The druggist must fill it in that way and the patient pays the increased price which can be two, three or ten times more. So, we think the government should bring in legislation prohibiting the use of brand names for new drugs.

Second, we believe that the provisions of the corporation income tax applying to manufacturers, importers and distributors should be amended so that a maximum of ten per cent of total sales should be the allowable deductible expense for advertising and sales promotion. This would immediately reduce the cost of prescription drugs by 20 cents in every dollar. These are the figures which we have from the pharmaceutical manufacturers themselves.

Third, we believe that drug advertising should be extensively scrutinized and legislation introduced to control drug advertising. Not a month goes by in which one does not read a report that in Canada, in the United States or in Great Britain a government authority charged with the responsibility of policing advertising in the field of drugs has issued an order to a drug company to cease using advertising which is misleading. The largest and most important drug companies have been involved in this kind of game.

Next we believe that a standard cost report for all new drugs having sales of over $500,000 a year should be filed with the department. This should include anticipated sales, proposed profit margins and proposed selling prices. Evidence before the Kefauver committee made it very clear that when some of the large companies develop a new drug, such as Parke Davis' chloromycetin or aureomycin, they were able in the first year or two to make net profits of between 40 and 60 per cent. Why was that? Because they were able to get the jump on everyone else. This was done at the expense of the consumers, and we think it ought to be stopped now.

As I said before, we believe that there should be an intensive doctor education program established regarding prescription drugs, prices, safety, quality and generic names. This can only be done by the government giving the food and drug administration the financial ability and the staff to do that kind of job.

There is one last point I wish to make. We believe that if we really want to bring down the price of prescription drugs, the Government of Canada should establish a crown corporation which would manufacture and distribute a limited number of important and basic prescription drugs. I want the house to be very clear on what I am suggesting. I am not suggesting public ownership of the drug industry, nor do I suggest the nationalization of the drug industry. We are not interested in taking over the drug companies. What we are interested in is that we establish a crown corporation which will probably make not more than a dozen or 15 important prescription drugs, a few antibiotics, a few tranquillizers and a few drugs in other fields. What we want is a crown corporation which will act as a yardstick. After all, if we had a crown corporation producing prescription drugs, there could be no question on the part of doctors, hospitals or consumers that the drugs are of high quality.

If the government follows our proposal, the corporation would operate as close to cost as possible. It would not be interested in making a profit, and the doctor would have a choice. He could use one of the brand name tranquillizers, one of the brand name antibiotics or else a product in the same field produced by the crown corporation. Since the doctor would know that here was a drug of high quality he could afford, on behalf of the patient, to look at the relative cost. If the government had that kind of crown corporation, I am certain that the drug companies would do what they do in every other country, namely meet the competition. They would bring their prices down to meet the prices set by the crown corporation. That kind of corporation, which I think would not cost a great deal of money to set up, would save millions of dollars a year to the people of Canada. This is a program which we think would meet the needs and requirements of the Canadian people. It would bring down the price of prescription drugs and it would ensure safety. That is what the Canadian people need.

When I began I said that we were going to vote for this bill. We are going to vote for it because, as I said tonight and on other occasions, it is a small step in the right direction. But when you look at all the steps which this government proposes, I think the Canadian people will find that when they are implemented the government will not really have accomplished very much by way of reducing the price of prescription drugs.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the members of the Ralliement Créditiste have a few brief remarks to make on Bill C-102 entitled: "An Act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act". That legislation is the repetition of a bill introduced during the last parliament and put off indefinitely because of the elections.

The bill now under consideration will amend the Patent Act in order first to allow the Patent Commissioner to grant licences to manufacture medicines in any form.

This would allow for a broader and better sampling of drugs, and would give the possibility of making discoveries such as are made in other countries while providing a better service for the Canadian consumer.

Mr. Speaker, this legislation has two different aspects. It allows a more thorough sampling of drugs, a greater number and a wider variety of drugs. On the other hand, it might slow down domestic trade as imported products will take the place of Canadian products.

In that respect, the Drug Manufacturers Association of Canada claimed that imports now make up nearly 10 per cent of the sales in Canada which, between you and me, is not exorbitant.

In his speech of October 17 last, the minister stated that this figure of 10 per cent was

not likely to increase in view of the particular nature of the industry and of its integration into the international network.

Mr. Speaker, I would rather be inclined to think that the Drug Manufacturers Association is justified to fear a massive and free inflow of foreign products on the Canadian market. In that respect we support the bill in principle but we fear the ill effects of a too heavy inflow of imported products which would saturate our market.

If we compare, for instance, what happens in the drug industry with what has happened, and is still going on, in the footwear industry in Canada, we notice that the adoption of this bill will increase Canadian reliance upon foreign products and will kill—I did say "kill" Canadian initiative.

Mr. Speaker, we would be surprised to know how many Canadian shoe manufacturers have had to close shop because of massive imports or because the import market was poorly supervised by the federal government. We fear that the same phenomenon might recur—perhaps not within two, three, four, five or ten years—but over the long run and, then, we will face the problem which now confronts the footwear industry. I believe that this section of the act carries a hidden danger with regard to the import market. We must in fact watch our imports and not be content to talk only.

• (9:50 p.m.)

The control provided in the bill on imports of new products appears to me inadequate. The protection afforded Canadian products and manufacturers also leaves much to be desired. However, this represents an improvement on what was being done up to now, since we are facing a major problem due to the prohibitive cost of drugs. This was the main point on which I wanted to comment.

By the way, I greatly appreciated the remarks of the previous speaker, a member of the New Democratic party, who said that drugs must be within the means of anyone, whether rich or poor.

When one considers that some pills cost $4.12 and retail at $105, one can rightly wonder what is going on. When one sees a spread of from 194 to 491 per cent in tenders for the purchase of drugs, one has a right to ask questions. When hospitals pay $1.95 for 100 capsules of prednisone, a cortisone-base chemical for the treatment of arthritis, as compared to $17 paid by the druggist, one understands why the user has to pay more for those drugs.

Mr. Speaker, because of the high cost of drugs and their prohibitive retail price, for the Canadian consumer, this government not only repealed the sales tax, but also enacted another legislation to reduce the cost of drugs.

However, the former Minister of Finance (Mr. Sharp) revealed not so long ago—and I shall give the reference—that an unofficial survey indicated that the saving which resulted from the removal of the sale tax had reached only the wholesale and retail dealers without yet having benefitted the consumer. In other words, the Canadian government has taken steps for which he has to be commended, as they promote better competition. Indeed, it is very well known that the drug industry operates entirely on a monopolistic basis, because of the patent system. The government tabled some bills aimed at improving the situation; however those steps seem to favour the doctors, the druggists and the wholesale dealers, rather than the poor, the housewife or the head of a family who is disabled or has a diabetic condition.

At this stage, I would like to mention the case of one of my constituents, and I am sure that it happens in all ridings. This man is the father of eight children, he is an invalid, a diabetic and he had a stroke recently. After a stay in the hospital he went home, and he now receives a social welfare allowance of $85 through patronage. But since he must pay $50 a month for his medicine how can he make ends meet? It is absolutely impossible! Thus, considering those facts, the federal government has taken certain measures; it helped those who had money and not the needy.

Besides, the former Minister of Finance himself admits it because since he does not know whether the legislation has been effective or not, he uses his $1.25 words, and I quote:

It is difficult for us to say definitely—

[*English*]

Mr. Speaker: Order. I regret to interrupt the hon. member. I see it is ten o'clock.

ADJOURNMENT DEBATE

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order No. 40 deemed to have been moved.

PUBLIC SERVICE—SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Tuesday, January 14, as reported in *Hansard* at page 4245, I put a question to the President of Treasury Board (Mr. Drury). I realize that the rules of the house permit parliamentary secretaries to answer on behalf of ministers at this time of night, but on this occasion I do regret that the President of the Treasury Board is not here to deal with this matter. This was my question:

> In view of the fact that the government has acted upon a recommendation of the special joint committee on the public service of Canada with respect to the salaries of deputy ministers and assistant deputy ministers, when will it act on the recommendation of the very same committee for increases in the pensions of retired civil servants?

I draw attention to the reply made by the President of the Treasury Board. He said:

> Mr. Speaker, I think the first step to which the hon. member has just referred was attributed rather more to the recommendations of an outside committee known as the Clyne committee.

There is one more sentence in the reply, in which the minister said, with regard to the matter of substance, that it was still under consideration.

I want to register a very strong objection to the way in which the President of the Treasury Board tried to turn aside my question. My statement stands that the special joint committee on the public service of Canada made the two recommendations to which I referred. In its sixth report, tabled on February 3, 1967—I am looking at page 1274 of the *Journals* for that session—the committee expressed concern about the position of public servants who would be excepted from bargaining units, and recommended that within six months the government do something about the position of those public servants who were outside collective bargaining units.

The Clyne committee to which the President of the Treasury Board referred on Tuesday was set up in response to that recommendation, and this was done in six months. This was exactly the point of my question, that our recommendation that something be done about deputy ministers and assistant deputy ministers had been met. The Clyne committee was established, and that committee made recommendations that there be certain rather large increases in salaries. The government has now said that it approved the recommendations of the Clyne committee. But the self same committee which made the recommendation in its sixth report on February 3, 1967, that led to the appointing of the Clyne committee, recommended in its ninth report on May 8, 1967, that there be immediate action to increase the pensions of retired civil servants.

• (10:00 p.m.)

The whole point of the question that I asked on Tuesday still stands unanswered by the government. Here was a committee of parliament that made two clear cut recommendations; one that something be done about a certain group of people whose salaries are not low but who nevertheless are outside the ambit of collective bargaining, the other that something be done for a very large group of people who are in a very difficult position. Yet this government still seems to think it is perfectly all right to do something for those who need it the least and to ignore those who need help the most.

I do not object to the proposal that there be adjustments to and increases in the salaries of deputy ministers, assistant deputy ministers and others in executive and professional positions, but I do say that this kind of discrimination is an affront to our retired civil servants and to the whole system of parliamentary committees.

We made those two recommendations in good faith. As I say, one concerned people some of whom are in the higher income brackets of the public service; the other concerned people who are in dire need because their pensions are not equal to the needs of the present day. I say that for the government to act on one of the recommendations, and to act within the six months requested, but to ignore the other recommendation for nearly two years is scandalous.

So, the premise of my question still stands. I repeat it tonight: Since the government has acted on the one recommendation that was made by the special joint committee, when is it going to act on the other one and increase the pensions of retired civil servants?

Proceedings on Adjournment Motion

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am here this evening at the request of the President of the Treasury Board (Mr. Drury) to respond to the question asked by the hon. member for Winnipeg North Centre. I regret that there is nothing I can add to the response of the President of the Treasury Board when he attempted to deal with the hon. member's question on January 14. At that time he said that this matter remains under consideration by the government.

However, I can say, as I have said before on similar occasions, that concern over the question of increased pensions for retired civil servants has been expressed by members on all sides of this house; it is not limited to one particular corner of the house. Therefore, I am going to make a point of drawing the attention of the President of the Treasury Board to the remarks of the hon. member so that he will be able to bear them in mind in his continued consideration of this matter as a member of the government.

SPORTS—EXERCISE OF DRAFT BY NATIONAL HOCKEY LEAGUE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is reported at page 4323 of *Hansard* and I was hoping that the Minister of National Health and Welfare (Mr. Munro), would have had some startling remarks to make after the discussions that were to take place with the president of the National Hockey League during the Christmas recess. Perhaps he would have discussed what right a young junior hockey player has to choose the club for which he wants to play? What happens the moment he signs his first pro contract? Does the minister realize that the player is the property of that club for life, to be traded and demoted as the club sees fit? I do not think the minister is that concerned. He is unaware of what is happening to our amateur athletes in this country and he does not care about the N.H.L. universal draft; otherwise, he would be here this evening to answer some of these questions.

I was most disappointed to learn that no discussion took place, apparently, about a concomitant situation in hockey which, in my opinion, has far greater substance than the windmill at which the hon. minister chose to tilt. The Professional hockey league has denied that it stoops to slavery in shinny and affirms strongly that this old albatross has been finally discarded. The professionals would have us believe now, that they have no interest whatsoever in amateur hockey. Finally they have achieved the ultimate solution; that is, an annual draft of overage juniors.

I would like to object, Mr. Speaker, and suggest that professional hockey has merely changed, chameleon-like, to another form of slavery. They may not be called the Sultans of Shinny Slavery any more perhaps, but I suggest that the distinction in the light of facts which have come to hand may be more one of semantics. There still exists in hockey a form of serfdom so odious that I cannot conceive it being countenanced in a so-called just society. I wonder how many hon. members have heard of this fantastic and ingenious arrangement called "Draft of Overage Juniors"? It is a plan so simple and so ingenious that I heartily endorse the recommendation that its authors be installed immediately in the hockey hall of fame.

It means simply that all junior players who reach the age of 19 and one half, which is the new lower age agreed upon by the C.A.H.A. and the professionals, can be drafted for the price of $3,000, only $2,200 of which goes to the Junior A team which discovered, developed, educated, and subsidized the player over three or four years.

Quite simply, it means that a player drafted for a mere $3,000 is worth, only seconds later, a minimum of $30,000 to the pro club. If he happens to be a Bobby Orr, a Frank Mahovlich, or a Bobby Hull he is instantly worth $1 million or more. That's a pretty nice profit to turn in a few seconds. Is it any wonder the professionals feel they have achieved the ultimate in arrangements? You have heard the minister say there is no direct liaison now between the professionals and amateurs in the sense of sponsorships. Nevertheless, the liaison is no less effective, ironclad, and slave like through the unique agreement between the C.A.H.A. and the N.H.L. Under this agreement, which the C.A.H.A. demanded in its search for greater autonomy, the pros pay a sum of approximately $550,000 a year—a figure which they plan to reduce with time, if you can believe it—in exchange for which the C.A.H.A. agrees to deliver the bodies, so to speak, each June at the annual draft.

Because the boy is under the age of 21, and that was carefully guarded by reducing the age even further to 19½, he is completely at the mercy of the draft, and so is the Junior A team which developed him and which is about to finally reap dividends. The player has no choice about where he may want to

play, nor has his junior club any redress with regard to the recompense for producing him. All this is reprehensible enough; but when I consider that 31 of the professional teams in hockey are in the United States and only four are in Canada I react with even greater shock. Canadian junior teams and Canada youngsters are being recruited for the masters of the Coliseums in the United States, to reap profits for them and another government and bringing back little or nothing to Canada. It is small wonder that many of the Junior A operators in Canada feel their days may be numbered. Indeed, many have already rebelled and have quit the Canadian Amateur Hockey Association.

• (10:10 p.m.)

In western Canada a new hockey association was formed this year called the Canadian Hockey Association. Because it refused to go along with this new version of serfdom these clubs were declared outlaw by the Canadian Amateur Hockey Association and now exist in a form of limbo. But do you think for one moment that the better players on these teams won't be drafted this June by the N.H.L or other pro teams? They will be absolved of their sins as soon as they are drafted.

Last year, and this year, each Junior A team was given $9,000 out of moneys paid to the C.A.H.A., but this amount is to be lowered and, as I am given to understand, gradually phased out altogether. Then there will be only the $3,000 for each player drafted.

The plan is so fantastically ingenious and inexpensive that one of the new N.H.L. owners, when appraised that his share for future talent was a mere $40,000 a year, was astounded. He suggested that the figure wouldn't even pay for a scout's entertainment expenses in baseball.

At one time it cost the six N.H.L. teams about $100,000 on the average each year to maintain farm systems. On that basis the pros should today be putting at least $1,200,000 back into amateur hockey. But how much are they investing? A mere $550,000, of which each N.H.L. team puts up about $40,000. I suggest, Mr. Speaker, that even the old slave ships didn't have a margin of profit like that.

Recent years have seen the decline of hockey in Canada, both in number of leagues as well as clubs. Today, outside of the four professional teams, only the top Junior A clubs appear to be keeping the sport going economically. But how long can these people keep going in the face of rising costs, little or no help in producing or developing players, and no one to share the risk? Even the C.A.H.A., which has the fantastic gall not only to give the orders with no personal investment whatsoever, but to extract a percentage of their profits as well, will not be able to keep going.

Justice, Mr. Speaker, was once described by Cicero in De Officiis, as indispensable for the conduct of business. He also wrote that good faith is the foundation of justice. But do we have justice here? If there is it is heavily weighted in one direction.

This is no mere plea for a few Junior A clubs. It is a plea for all those who work in amateur hockey in Canada; the men, the boys who become the Bobby Hulls and the Bobby Orrs. It is also a plea for a better share of the fantastic profits which are now accruing to hockey from television and the result of expansion to the United States. Perhaps Canada can't charge for the snow it exports to the United States, but we can and should charge for the players we develop.

There is now an investigation taking place of amateur sport in Canada. If the minister had people assigned to this task force who know the difference between a jock strap and a pair of ear muffs, then perhaps the arrangement between the Canadian Amateur Hockey Association and the N.H.L. would be highest on its list of priorities. Right next to that should be the nefarious draft of underage junior players.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, at the beginning of his remarks, the hon. member for Edmonton-Centre (Mr. Paproski) said that if the minister were more interested in this serious problem, he would be in the house.

I think the hon. member will admit that the minister's absence is clearly justified, since he is discharging his duties as chairman and host at the federal-provincial conference on welfare now under way.

In addition, I would like to quote the words of a poet: "On old tunes, let us sing new songs", because I answered a similar question from the hon. member for Hamilton-Wentworth (Mr. Gibson) on December 16 last.

Perhaps the hon. member would be well advised to refer to the speech delivered by the minister in Moncton on November 23,

1968, when he dealt with this matter, and, as we would say, he made no bones about it, in connection with the complaints made by the hon. member. He said in part:

> We cannot allow businessmen to buy or sell athletes as if they were properties. Players are not movables.

Needless to say that the minister has exposed the matter outlined by the hon. member by dubbing it a slave market. Not only has he wanted to make public statements in this regard—to show that he is strongly in favor of correcting such a situation—but he has also established a task force or a committee which must, as early as January or February, report on its findings in connection with the serious problem pointed out by the hon. member.

We hope that, as a result of the conclusions of the committee's report, it will be possible for us to pass legislation to set things right.

[*English*]

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, January 17, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

TRANSPORTATION

ATLANTIC PROVINCES—STUDY OF PROBLEMS BY STANDING COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been certain discussions in various corners of the house with regard to the work of the committee on transport and communications. It has been agreed that it might be desirable if that committee were to make a detailed study on the spot of transportation problems in the Atlantic provinces. I therefore ask the leave of the house to present a motion in this regard.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I move, therefore:

That the standing committee on transport and communications be empowered to consider and report upon the problems of transportation in the Atlantic provinces and that for the purposes of its inquiry the committee be empowered to adjourn from place to place within Canada and the clerk and the necessary supporting staff be authorized to accompany the committee.

Motion agreed to.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, on behalf of the opposition party I should like to say that we welcome this announcement very much.

ORAL QUESTION PERIOD

FINANCE

BANK ADVERTISEMENTS TO ATTRACT BORROWERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance, and welcome him back to the house after his expedition last evening. Today I wish to ask him whether he is concerned about the advertising campaign of the chartered banks in which they urge Canadians to borrow from the banks to buy convertibles and other items which they may desire, and to use bank credit freely for spending purposes.

In view of the inflationary pressures and inflationary psychology of the country, as well as the difficulty in the capital markets, is the minister concerned about this? If so, I should like to know whether the minister has discussed this with the banks and whether he believes it is in the public interest for the banks to be urging Canadian individuals to borrow for anything they may desire. I consider this question particularly appropriate when I notice the pressure of the banks in constantly urging Canadian governments to live within their means, and not to borrow freely.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I find the views of the Leader of the Opposition very interesting. As he knows, banks have been competing with one another and with other institutions very aggressively for consumer loans. I presume that part of the advertising to which he has referred, and incidentally I have not seen it recently—this morning, at least—is to attract business from other consumer lenders. The over-all effect of this has been a reduction in the rate at which consumer loans have been made to the public in the past year or so. As the Leader of the Opposition has mentioned, and the President of the United States has done this also, we have urged people in Canada not to spend freely. I was very interested in his comment that banks castigate governments for spending and then turn around and encourage the public to spend.

THE CANADIAN ECONOMY

WATKINS REPORT—GOVERNMENT ACTION TO PROTECT ECONOMIC INDEPENDENCE

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Acting Prime Minister this question. In view of a speech made recently by the Secretary of State in New York, again emphasizing the need to protect Canadian economic independence, is the government considering legislation to implement aspects of the Watkins report to provide that Canadian firms, which are subsidiaries of American companies, are free to

trade anywhere without being subject to United States laws? Has there been consideration of the recommendation to provide a state foreign trade agency, and of the other recommendations in the report to protect Canadian economic independence?

Hon. Paul Hellyer (Acting Prime Minister): Of course these questions are under continuous review by the government. Any definitive policy decision will be announced in the normal way.

CANADIAN DEVELOPMENT CORPORATION

REQUEST FOR INFORMATION RESPECTING LEGISLATION

Mr. David Lewis (York South): I should like to ask the President of the Privy Council when this house may expect the introduction of the bills dealing particularly with the government's reorganization program and the Canada Development Corporation?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I hope to make a general statement within a week or so about the intended legislative program between now and, I hope, the end of the session in June. Perhaps hon. members could wait until then, when I can be a little more definitive.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Transport with regard to the selection of the site for the future international airport which is to be announced before the end of January. Can he tell us whether such decision will be taken by technocrats or by the cabinet?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the official decision will have to be taken by the government, which will be held responsible for it. Naturally the advice of the technical people will be taken into consideration. The government will have to base its decision on the advice it receives and the discussions which have taken place with the province of Quebec.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport.

[Mr. Lewis.]

Is the ballistic centre located in La Macaza a major and definite technical obstacle to the sites suggested north of Montreal along the Hawkesbury-Saint-Jérôme-Rigaud axis?

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

[*English*]

GRAIN

FAILURE TO LOAD SHIPS AT WEST COAST

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Trade and Commerce or the Minister of Transport, whichever one is responsible. Why are ships being kept waiting for grain on the west coast during a time when there has been a drop of 18 per cent or 1,100 fewer carloadings as compared with the same period in 1967?

Mr. Speaker: I have the impression that the question as asked is argumentative, but under the circumstances perhaps the minister might be allowed to answer.

Hon. Jean-Luc Pepin (Minister of Trade and Commerce): Mr. Speaker, if there are any specific cases the hon. member would like to bring to my attention I would gladly meet him after the question period and bring these to the attention of the Wheat Board and the grain transportation committee.

Mr. Korchinski: Mr. Speaker, there are ships waiting at the present time and there have been 1,100 fewer carloadings than there were at the same time in 1967. This seems general in respect of any delivery point. I do not know what more the minister wants.

Mr. Pepin: I inquire nearly every morning about this situation and I have been informed that the box car situation at the moment is as good as it can be. As I said, I will gladly take notice of any specific case to which the hon. member is referring.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. I wonder whether the Minister of Industry, Trade and Commerce would discuss these problems with officials of the railways. These nine ships have been waiting many, many days for dry grain, of which we have an abundance in Canada. This is costing the nation as a whole and the farmers in particular a great deal of money. Would the minister be prepared to discuss the matter with the railways?

Mr. Speaker: Order, please.

Mr. Pepin: I just said I would, Mr. Speaker.

ESTATE TAX ACT

REQUEST THAT EXPLANATORY MATERIAL BE SUPPLIED TO OPPOSITION MEMBERS

Mr. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Finance. It is based on a newspaper account which might be accurate, but I do not propose to call for any files.

Some hon. Members: Oh, oh.

Mr. Fairweather: Could opposition members of parliament be furnished with the explanation with regard to the new estate tax, which was allegedly given by the Department of Finance to backbenchers who support the government?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the explanation was not given by the Department of Finance but through my office. Yesterday I instructed my office to make it available to members in the opposition as some of them have requested.

Mr. Bell: Is it helpful?

Mr. Benson: It is very helpful and it shows how fair the estate tax is.

Some hon. Members: Oh, oh.

Mr. Lewis: Then why did you delay supplying us with the explanation?

HOUSE OF COMMONS

SECURITY CHECK OF STAFF MEMBERS

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I wish to direct a question to the government house leader because I do not know to whom else it should be directed. Would the government house leader be kind enough to advise the house now or later as to the procedure with regard to security checks on the staff employed by the House of Commons and Senate. I ask the question in view of the fact that there was this morning some kind of security check. It amazes me that secretaries who have been here as long as 16 years were stopped for a security check, when to my personal knowledge three new employees who were right ahead of me were not stopped for this check.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would be glad to obtain from the hon. member the details of the particular case referred to. I would then make further inquiries and consult my colleagues on the point.

Mr. Baldwin: Has there been another leak?

HARBOURS

NOVA SCOTIA—ACTION FOLLOWING SURVEY OF STORM DAMAGE

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Public Works. On December 9 the minister stated that the Atlantic region engineers were making a survey of possible storm damage as far as harbours are concerned. Would the minister advise the house whether the engineers have completed their survey and whether any action will be taken?

Hon. Arthur Laing (Minister of Public Works): We have a report, Mr. Speaker, that is fairly complete with regard to damage done by the storm in all areas. The damage was very widespread, however, and I think the information that we have could probably be disseminated to individual members with more value than by making a statement in the house. I will endeavour to get that information out at once to the members concerned.

SPACE EXPLORATION

CONGRATULATIONS TO RUSSIAN COSMONAUTS

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Minister of Transport a question in his capacity as Acting Prime Minister. Will consideration be given to extending Canada's congratulations to the U.S.S.R. on the completion today of an outstanding space achievement by that country?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am sure all Canadians wish to congratulate the Russian cosmonauts on this really remarkable achievement. It is a further step in the exploration of space which lends new knowledge to that field of endeavour. It is a matter of interest and concern to all citizens of the world. I think that with the United States astronauts who performed such an amazing feat at the Christmas period, the Russian team deserve the congratulations and best wishes of all interested citizens of this country.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

INDIAN AFFAIRS

TABLING OF STANBURY-FIELD REPORT ON INDIAN TAXATION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Will the minister say when he will be tabling the Stanbury-Field report which analyses taxes paid by Indians in British Columbia to the government of that province?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know what document the hon. member is referring to. I will inquire and give an answer in the house as soon as possible.

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I had a question for the Minister of Forestry and Rural Development, but in his absence I shall direct it to the Minister of Transport.

Is the decentralization policy often announced by the federal government taken into consideration for the location of the future Quebec international airport?

Mr. Speaker: I think that the question as asked should be put on the order paper. If the hon. member feels that it is urgent, he could give notice to have the question discussed at the time of adjournment.

[*English*]

ESTATE TAX ACT

ALLEGED THREAT TO FAMILY FARMS AND BUSINESSES

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Finance. In view of the serious threat to the continuance of family farms and businesses contained in the changes to the Estate Tax Act, would the minister give serious consideration to a review of these matters before bringing in the proposed legislation?

Mr. Speaker: It seems to me the hon. member is asking a question which has been asked in the last few days, but in spite of this fact I am disposed to allow the minister to reply.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would simply like to say that the presumption is unfounded.

[Mr. Hellyer.]

Mr. John Burton (Regina East): I have a supplementary question, Mr. Speaker. Since there are indications in the press that Liberal members of parliament have been provided with certain information on the new proposals, would the minister make this information available to all members?

Mr. Speaker: Order, please. The question has already been and answered.

REGIONAL DEVELOPMENT

FRED—PLAN FOR WESTERN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the acting minister of regional development. Could the minister advise whether he has received a report on the proposed development plan for western Newfoundland under the FRED program amounting to $305 million from the Newfoundland government, as announced in the local papers there?

[*Later:*]

Mr. Marshall: Mr. Speaker, in view of the silence to the question I asked a couple of moments ago, I wonder if I may ask the Acting Prime Minister whether there is an acting minister of regional development, or what was formerly forestry and rural development?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, he will be in the house on Monday.

Mr. Marshall: Thank you for the answer.

[*Later:*]

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Speaker. Hon. members realize that when they put questions to members of the government they are not necessarily entitled to answers. But because of the roster system introduced by the Prime Minister, and the fact that the Acting Prime Minister is probably fumbling around with the old list, the least courtesy which the government could offer the opposition would be to inform us whether there are acting ministers.

Mr. Hellyer: There are, indeed, acting ministers, but today is not the day for the attendance in the house of the Minister of Forestry and Rural Development. I am sure he will be here on Monday; in case he should not be, the acting minister will be present.

Mr. MacInnis (Cape Breton-East Richmond): Who is the acting minister?

FISHERIES

ACTION TO ASSIST EAST COAST INDUSTRY

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Fisheries but in his absence I will direct it to the Acting Prime Minister. Will he inform the house when we may expect a statement on the action which will be taken by the government to assist the east coast fresh and frozen fish industry?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, for very good reasons the Minister of Fisheries is not able to be here today, but I will take the question as notice.

SHIPPING

MERCHANT MARINE—SUBJECT FOR DISCUSSION AT SHIPBUILDING MEETING

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Minister of Transport with respect to the shipbuilding meeting on January 20 just announced by the Minister of Industry, Trade and Commerce. Will the Minister of Transport, in charge of the revival of the merchant marine, be invited and be fully participating at the said meeting?

Hon. Paul Hellyer (Minister of Transport): My colleague indicates by nodding to me that that is the case, and I can assure my hon. friend of my interest in that very important subject.

Mr. Bell: I have a supplementary question. Will the minister give the further assurance that he and the government will keep in mind the promises made on June 17 in the heat of the election compaign by the present Minister of Forestry and Rural Development, who irrevocably promised a merchant marine for Canada.

Mr. Speaker: Order, please. The hon. member's supplementary question is argumentative.

RESEARCH

USE OF ANIMALS FOR SCIENTIFIC PURPOSES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Acting Prime Minister. In view of widespread public concern, is it the intention of the government to refer to an appropriate parliamentary committee at this session of parliament the matter of the use of animals for scientific research and other purposes.

Hon. Paul Hellyer (Minister of Transport): To the best of my knowledge, Mr. Speaker, there is no such intention.

Mrs. MacInnis (Vancouver-Kingsway): I have a supplementary question, Mr. Speaker. Is it the intention of the government to introduce in this session legislation to regulate the experimental use of animals, such as they have in Great Britain and the United States?

Mr. Hellyer: Mr. Speaker, I think that when the house leader reports to the house on the amount of legislation we have yet to deal with during the balance of the current session, my hon. friend will see that it will be virtually impossible to introduce any measures that are not contemplated at this time.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Acting Postmaster General.

I should like to know why there has been an eclipse of the sun, the Quebec newspaper *Le Soleil,* in the reading room for about a month?

Mr. Speaker: The honourable member's questions will be drawn to the attention of the House of Common astrologers.

SPORTS

ASSISTANCE TO NATIONAL SKI TEAM

Mr. André Fortin (Lotbinière): Mr. Speaker, earlier this week I asked the Minister of National Health and Welfare whether the government had received a request for financial aid to our national ski team and I was told the matter would be looked into.

Can the minister in charge or the acting minister give us any information in this regard?

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the minister is now presiding over the federal-provincial welfare conference, and I believe that upon his return to the house he will be pleased to give the member an answer.

[*English*]

TELEVISION

TRANSACTION BETWEEN GOVERNMENT AND GEOFFREY STIRLING

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Acting

Prime Minister. I would ask him whether the C.R.T.C. has held a meeting to discuss the ethics of a transaction between any minister or ministers of the Crown, and Geoffrey Stirling.

Hon. Paul Hellyer (Acting Prime Minister): Not to my knowledge, Mr. Speaker. The hon. member would have to provide better information than that before I could inquire.

Mr. MacInnis (Cape Breton-East Richmond): The Acting Prime Minister tells me, Mr. Speaker, that I would have to provide better information than that. As Acting Prime Minister, would he look into this question and have the internal fortitude to bring it forward?

Some hon. Members: Oh.

GRAIN

REQUEST FOR GREATER DELIVERY OF DAMP GRAIN

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I left three questions unanswered yesterday, Mr. Speaker. The first was from the hon. member for Mackenzie, having to do with the delivery of the three-bushel advance quota on damp grain. He asked whether farmers would be entitled to make this delivery before spring. I have now received an answer from the Wheat Board on this point: The Wheat Board is hopeful that such will be the case.

ABSORPTION OF DEMURRAGE CHARGES

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The second question with which I should like to deal was concerned with demurrage charges on vessels waiting to load grain in Vancouver. I was asked by the hon. member for Regina East whether the government would absorb these charges. The answer is that this has never been done by the government. If I might be allowed, I would refer hon. members to a paragraph taken from last year's testimony of the chief commissioner of the Wheat Board, as follows:

> The board believes it is better to take on the sales and to take the risk. If it then turns out that demurrage must be paid, it is one of the costs of doing business and, in the overall, represents a small part of the total costs of operation.

As a matter of fact, the whole page should be read.

Mr. Eldon M. Woolliams (Calgary North): May I ask a supplementary question arising out of the reference the minister made to the statement by the chief commissioner of the Wheat Board? Will not the minister bear in mind that these ships are waiting, not for markets which have yet to be ascertained, but to supply markets which are already ascertained? These markets are waiting for the loaded ships to arrive. Is the minister aware of that fact?

Mr. Pepin: Obviously the hon. gentleman is in great need of reading the page upon which appears the Chief Commissioner's explanation of how demurrage works.

Mr. Woolliams: We know how it works.

Mr. Pepin: Shortage of box cars is not the only reason for delays.

[*Later:*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a supplementary question to the Minister of Trade and Commerce. One may expect—

Mr. Speaker: Order. The hon. member should ask a question.

Mr. Gleave: In view of the fact that this year there are extraordinary circumstances both in the harvesting and in the movement of grain, would the minister not accept the fact that the approach to demurrage on these vessels would be different from that of previous years when movement was normal?

Mr. Pepin: Mr. Speaker, I realize that I must circulate copies of the document referred to.

REQUEST FOR FINAL PAYMENT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The third question had to do with the final payment from the Wheat Board and it was asked by the hon. member for Lisgar. I might know more about that next week and, if so, I shall report to the hon. member and to the house.

COMMONWEALTH CONFERENCE

REQUEST FOR STATEMENT BY PRIME MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Acting Prime Minister whether the Prime Minister will be returning to the house on Monday and whether it is the intention of his right hon. friend to make a statement in the house with regard to his various activities abroad?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, I expect the Prime Minister will be in the house on Monday. I have not had definitive word from him in respect to a statement, but I am almost certain that he will making a statement on Monday which will include reference to the Commonwealth conference and his trip to the Vatican.

COMMUNICATIONS

BRIEFS IN OPPOSITION TO BELL TELEPHONE RATES INCREASE

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the Postmaster General, but in his absence I will address it to the acting minister or the parliamentary secretary. In view of the fact that today is the last day for filing briefs opposing the proposed increase in rates by the Bell Telephone Company of Canada, has the government filed a brief and, if not, why not?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am sure that the Postmaster General or the acting minister will be here on Monday to reply to that question. In the meantime I shall draw it to his attention.

NATIONAL DEFENCE

DISCUSSIONS ON STRATEGY AND PROCUREMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I direct a question to the Acting Minister of National Defence and ask him whether he would inform the house as to the purpose of the discussions that will be taking place during next week in Paris between the Canadian chief of the defence staff and the French chief of the joint staff, reportedly on matters of strategy and procurement, and specifically whether this has any connection with the review of Canadian defence policy and implies either Canadian procurement of supplies in France or joint procurement projects between France and Canada.

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, I wonder whether my hon. friend would agree to wait until the minister is back in his place. I think he will be back some time early next week, if I am not mistaken, and he will have a chance to answer this question at that time.

Mr. MacLean: Mr. Speaker, that is quite agreeable if the Acting Prime Minister will bring my question to the attention of the minister.

[*Translation*]

INCOME TAX

INQUIRY AS TO SOCIAL PROGRESS LEVY

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask a question to the Minister of Finance.

Has he received any favourable comments since the social development tax has been implemented?

Mr. Speaker: The hon. member should put this question on the order paper.

[*English*]

GRAIN

CANADIAN BOX CARS ON U.S. RAILWAYS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the great demand for grain cars in western Canada for the movement of grain, and in view of the fact that the president of the Canadian Transport Commission on November 28 said that the transport committee will be looking into the number of Canadian box cars on United States lines, could the minister say whether there is any unduly large numbers of Canadian cars on U.S. railroads?

Hon. Paul Hellyer (Minister of Transport): There are a considerable number, Mr. Speaker. I think this will be reflected in an answer to a written question which will be tabled next week. In addition to this I might add that most of the box cars in the United States are not those that would be suitable for the movement of grain. It is necessary to have both sets of figures, and I hope that both sets can be produced.

Mr. Skoberg: May I ask the minister an additional question. Has he made the Canadian Transport Commission aware of the situation, and is he instructing them to look into the situation at all times?

Mr. Hellyer: Yes, Mr. Speaker, they are very much aware. The Minister of Industry, Trade and Commerce is also in constant communication with them and we have undertaken, in effect, to do anything that it is felt is required to assist in the movement of grain.

GOVERNMENT ORDERS

PATENT ACT—TRADE MARKS ACT

EXTENSION OF AUTHORITY TO GRANT LICENCES

The house resumed from Thursday, January 16, consideration of the motion of Mr. Basford for the second reading and reference to the standing committee on health, welfare and social affairs of Bill No. C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, last night at the time of adjournment, I was dealing with bill No. C-102 entitled an act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act.

Among other things, I quoted a statement made by the former minister of finance (Mr. Sharp) in which he commented on the efficiency of two bills designed to lower the cost of drugs. In fact, the first abolished the sales tax on drugs and the second reduced from 20 to 15 per cent the custom duties on drugs, apart from curtailing tremendously the dumping duties on the imports of some drugs.

Since the coming into force of these measures, several months ago, we have noticed—

Mr. Speaker: Order. Does the honourable minister wish to rise on a point of order?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, would the hon. member permit a question. Would he allow me to ask him for the precise reference to the statement that was made by the former minister of finance, the hon. member for Eglinton (Mr. Sharp), so that I can look it up?

[*Translation*]

Mr. Fortin: Mr. Speaker, I have the exact reference in my office. In any event, I can have it photostatted and copy of it sent to the minister after my speech, which will amount to the same thing.

I said that the federal government had adopted two measures with the view to reducing the cost of drugs. Now, what are the results? The cost of drugs has not gone down. Of course, it has for wholesalers and retailers, but not for the consumer.

The cost of drugs is still outrageous, prohibitive and unacceptable. Retail prices for drugs in Canada run $2 to $13 higher than

[Mr. Hellyer.]

in the United States and in Europe. Canadians pay too much, Mr. Speaker, for the drugs they need. Everyone recognizes that, including the minister whom I wish to congratulate for being a realist.

• (11:40 a.m.)

What is the cause of this situation? It will be no news for anyone that drugs, with regard to their discovery, their brand names and their sale, represent a tremendous and almost sacred monopoly, which makes a handful of specialized people richer and which is detrimental to most Canadian people who have to use some drug or other as a cure. That monopoly, in my opinion, comes from the exclusive privilege provided for 17 years by a brand name.

Mr. Speaker, the patent could be considered as a reward to the inventors, in the form of a temporary monopoly but it is too long, in my opinion, as a reward for the service they render to society by making their discovery known. Furthermore, the attraction of that monopoly, because of its related material advantages, tends to strongly stimulate the creative mind and to protect the inventor.

Under legislation in force in almost every country of the world and according to agreements to which these countries adhere, a discoverer can, for a certain period of time, through patents, keep the exclusive property of his discovery, that is to say, he will benefit from a privilege which allows him to prevent other individuals or legal entities to make and even to use the object of those patents. Therefore, a monopoly is established which serves quite well the interests of the inventors and distributors but not those of the consumers.

Therefore, I welcome this bill, at least the part dealing with the restriction of that monopoly, since we are then in favour of private enterprise in Canada and we protect the consumer. Although technical advances allow of great hopes, this progress in some way depends, in every country, on the purchasing power. Furthermore, it directly contributes to an increase in the living standard and so, in quality. However, an improvement in the quality of life or standard of living triggers inevitably an increase in the cost of living. Whether we admit it or not, Mr. Speaker, we come back to the problem of prime importance, that is, the purchasing power which is in the pockets of the consumer or the taxpayer.

Supposing our standard of living were the most desirable and the best in the world, if our cost of living is the highest, there will still remain, because of the present financial system which serves the interests of the monopolies of high finance, too many poor people for us to be satisfied.

Therefore, we must use all the means at our disposal to lower the selling and the retail cost. At the present time, two things are drawing my attention, Mr. Speaker. The first one concerns the need to have drugs to get cured and even to save our lives. Indeed, it is no longer possible to do without drugs today, and research is conducted in order to improve the quality and the safety of these products. The second one, which I think derives from the first, concerns the ability to pay for these drugs which are absolutely necessary for our well-being, to get cured and to restore us to health. So, to get cured we must use drugs; then we have the problem of being able to pay for these drugs.

Here is the paradox of our society. We can be ill one day or another, but our financial system does not allow us this luxury, since the majority of Canadians have not the financial means to be ill and to get cured. Once again, we have to face a financial and economic problem, no matter how we look at it.

Mr. Speaker, considering our monetary system and due to the fact that the Canadian government has entrusted the chartered banks with its administrative powers rather than the Bank of Canada which belongs to the Canadian people and which, in our estimation, should regulate the purchasing power of Canadians, most of our citizens cannot afford the luxury of being sick or buying drugs.

The bill now under discussion is intended to promote more competition between the drug manufacturers and distributors. Therefore, it is intended, through an increased and healthy competition, to lower prices and to diminish a monopoly being exerted on people through prices which are evidently abusive. As a result of this competition, the government is aiming at the decentralization of the price levels now under the control of a handful of manufacturers and retailers. In our opinion, this is a commendable measure because we, of the Ralliement Créditiste, are opposed to any kind of monopoly, especially those of a financial nature.

We, of the Ralliement Créditiste, are in favour of the progress of private enterprise, small or large. We, of the Ralliement Créditiste, are also the proponents of free enterprise which, more than any other system, encourages greater security and freedom whatever the Prime Minister (Mr. Trudeau), who has communistic leanings, may say.

Mr. Speaker, free enterprise must be encourage. Hence, this is an occasion for us to welcome this bill which is intended to bring about more competition among imported products. This is commendable because it might help—I say "might"—the Canadian consumer pay a little less for the drugs he needs.

I want the minister to listen to what we are saying to him. This bill, like others of the same kind, is nothing but a poultice on a wooden leg because it is not increasing the purchasing power of Canadians which they essentially and basically need, by all means, to buy drugs.

Mr. Speaker, far from helping the Canadian consumer by increasing his purchasing power, the present government is doing no more than the previous governments, including the Progressive Conservatives who did not bring about any changes either; both parties are the same, two different side of the same coin; only the colour changes. Such governments, which we have put up with for too long, are levying taxes from the taxpayers in every way through unintelligent methods: voluntary taxes, non-voluntary taxes, direct taxes, indirect taxes, admitted taxes, unadmitted taxes, circumstancial taxes, social development taxes and social backwardness taxes. Mr. Speaker, these annoyances result in an economic regress which affects our productivity and our prosperity. They are causing, from month to month, from year to year, from one government to the next, economic regress instead of economic progress because people have less and less purchasing power. They are increasingly tied up with debts, credit and higher interest rates to which the present government applies the blind eye.

Those are the main remarks I wanted to make. As long as this is not understood, Mr. Speaker, we will not realize in what position are our people, those born in debt, living in debt, sick in debt, dying in debt and buried in a coffin bought on credit.

This system is working the wrong way; it does not settle anything because it is choking more and more the little people for the benefit of the rich people.

• (11:50 a.m.)

We support the present leglislation not because we think it will settle the whole

problem, as it will be clearly insufficient, but because it will have the advantage of encouraging private enterprise; for that reason it is commendable, Mr. Speaker.

Before concluding my remarks, I would like to call the attention of the minister to the fact that the five measures announced in his speech of October 17 and aiming at fostering private enterprise are, in the principle, in our opinion, basically excellent; we would like to congratulate him for his inititive. In fact, for a long time we had been complaining that our governments did not take any interest in the pharmaceutical field. It is obvious, Mr. Speaker, that the PIDA, set up by the Department of Industry, and the Department of Trade and Commerce, can help private industry by means of direct or indirect subsidies, particularly direct subsidies, and by intelligent help, in order to enable our Canadian companies to manufacture a product whose safety and quality which will be envied by other countries.

However, Mr. Speaker, as one NDP member was saying yesterday, there is only $2 million left, which is surely not enough to help compete against foreign industry, improve the quality of drug products, and intensify research in Canada. In fact, in all Canadian pharmacy schools, universities and other institutions we have only 80 pharmacology students; this is less than sufficient. Also, the federal government granted a mere $350,000 for research in 1966-67.

Before I conclude, I ask the minister to direct more investment from his department towards research, to enable the drug companies to put on the market good products which will not endanger the health of the Canadian people. After all, it is the individual who must be considered in this bill and although I congratulate the minister for his initiative, I dare say this measure is far from enough; it is just a makeshift solution. It is high time that the minister should take an interest in financial problems, because such bills are merely drugs that lull the public and hon. members to sleep.

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Minister of National Health and Welfare (Mr. Munro) would have been glad to take part in this debate but, as you know, he is presiding at the moment—with much skill and distinction, I daresay—over the federal provincial conference on welfare. In his absence, I shall try to express as faithfully as possible his philosophy about this bill amending the Patent Act, the Trade Marks Act and the Food and Drugs Act.

My colleague, the hon. member from Vancouver Center, has made clear to you, in moving the second reading of Bill No. C-102, this government's deep concern about the high price of drugs in Canada. We are particularly concerned about the economic burden imposed by unduly high drug prices on the chronically ill and aged in our society.

Bill C-102 plays an important role in the fulfillment of this Government's pledge to the Canadian people to work towards a just society for all of our citizens. What aspects of the bill relate to health matters and thus fall within the jurisdiction of the Department of National Health and Welfare?

In order to place the legislation in proper context, what is the present status of the drug industry in Canada? In terms of business volume, the Canadian pharmaceutical industry is dominated by firms which are subsidiaries of giant foreign corporations—for the most part either in the United States or Switzerland.

These subsidiaries hold the Canadian patent on chemical processes developed by their parent firms. The majority of pharmaceuticals produced in Canada are manufactured from primary chemicals imported by these subsidiary firms, which are formulated in final dosage form in this country.

Under our present legislation, independent Canadian drug manufacturers can obtain a compulsory license which permits them to produce the primary chemical in Canada, and then formulate it into a finished dosage form. At first glance, this appears to provide competition to the firms which are subsidiaries of foreign companies. Unfortunately, however, the size of the Canadian market is not sufficiently large, in most instances, to permit the Canadian manufacturer to produce the chemicals at prices competitive with those at which the subsidiary can import them from its foreign parent firm. The net result, therefore is that the compulsory licenses have had limited practical value and the effective monopolies of the subsidiary firms have been maintained.

It is for this reason that we have introduced this bill—to inject competition at the manufacturing level, into the drug industry in this country, and thus reduce drug prices.

Hon. members will recall that when the predecessor of the present bill, Bill C-190, was introduced into the house last February, there were well-meaning, earnest and sincere

outcries that its end result would be to jeopardize the health of the Canadian people. Although Bill C-190 died with the dissolution of the house, I am sure hon. members are familiar with all of the arguments used by those who for various reasons were opposed to it. I can assure you that the Government has taken very much to heart the concern expressed by a number of individuals and organizations.

As a result, Bill C-102 differs from its predecessor in a number of significant ways, which are designed to prevent any deleterious effect which the passage of the legislation could theoretically have on the quality and safety of drugs sold in Canada.

Prominent among these changes is the fact that Bill C-102 includes an amendment to the Food and Drugs Act. Section 24 of this act will be amended by adding to it provision of specific authority to the governor-in-council to make regulations "governing, regulating or prohibiting" the importation into Canada of any drugs manufactured outside of Canada, or the distribution or sale of such drugs in Canada. Action taken under this section of the act would of course be based on the necessity to protect the public in relation to the safety and quality of imported drugs. I am sure hon. members will agree with me that this amendment provides, in the clearest and most unequivocal terms, the necessary authority to control imported drugs.

There is another section of the new bill which provides added health protection to the Canadian public. As hon. members are aware, section 3 of Bill C-102 provides for an amendment to the Trade Marks Act. Under this section, there is a new paragraph, 49A (2), which states that the amendment to the Trade Marks Act permitting the sale in Canada of a drug product manufactured by a company abroad under the same trade mark used by a related Canadian company, would not apply if the product manufactured outside Canada was sufficiently different in its composition to represent a hazard to health. Authority is provided for the publications in the Canada Gazette of a declaration by the Minister of National Health and Welfare relating to a specific pharmaceutical which has been imported and is being sold under a trade mark registered in Canada.

• (12 noon)

Some drug manufacturers have made representations to the Food and Drug Directorate of my department, pointing out differences in the composition of products, produced by their company and sold under the same trade mark in Canada and abroad. In no instance have they presented evidence that the differences in composition would present a serious hazard to health. However, should such a situation develop, the necessary authority to deal with it effectively has now been embodied in the legislation.

Bill C-102 also formalizes the present informal advisory arrangements between the Commissioner of Patents and the Food and Drug Directorate.

Section 1, subsection 13 of the bill requires the Commissioner of Patents to report all applications for compulsory license to the Department of National Health and Welfare. It will be obvious to hon. members that this provides an opportunity to the Directorate to conduct inspections, procure samples of the drug in question, review label claims, and carry out other investigations or examinations to determine if the drug product produced under compulsory license complies, or is likely to comply, with the Food and Drugs Act and Regulations. Furthermore, section 1, subsection 16 provides that nothing in any license granted shall be construed as conferring upon any person authority to prepare, produce, import or sell any medicine contrary to, or otherwise not in accordance with, the requirements of the Food and Drugs Act and Regulations.

Some have expressed concern that imported drugs are intrinsically inferior to those of Canadian firms. There are those who have gone so far as to raise the spectre of a veritable flood of inferior drugs appearing on our market, with disastrous consequences. The evidence does not support these dire predictions. Of the imported drugs in finished dosage form analyzed in 1967 by the Food and Drug Directorate of my department, 16 per cent were unsatisfactory for one reason or another. The percentage of domestically produced drugs in finished dosage form found unsatisfactory was identical—16 per cent. Thus the data provides no support at all for those who claim that imported drugs, as a class, are of inferior quality to those produced in Canada. The analytical results obtained by the Food and Drug Directorate are in line with other information which shows that the vast majority of drugs in final dosage form imported into Canada come from countries with advanced food and drug legislation and manufacturing standards.

Let me illustrate: as of June 1968, 329 firms had filed information with the Directorate on 2761 imported products in accordance with

the requirement of the Regulations on Drug Notification. Of this total, 2215 products were produced by 168 firms located in the United States, 238 products originated in France, 146 in England, 83 in Germany and 46 in Switzerland. Of the remainder, 8 were produced in Denmark, 7 in Austria, 4 in Holland, 4 in Ireland, 4 in Hong Kong and 1 in each of Italy, Finland, Scotland, Sweden, Japan and South Africa. I should emphasize that this data relates to the importation of the final dosage form of the drug only and does not include bulk chemicals or partially processed pharmaceuticals.

We anticipate that most of the increase in drug imports resulting from the passage of Bill C-102 probably will be in the form of bulk drugs, which will then be formulated into final dosage form in Canada. Under these circumstances both the Canadian manufacturer and the Food and Drug Directorate—through its inspection and analytical programs—can exercise adequate surveillance.

The Food and Drug Directorate has taken a number of steps to assist foreign manufacturers to meet Canadian standards for imported drugs. A comprehensive Drug Manufacturers Guide has been prepared explaining the manufacturing facilities and control requirements of the Food and Drug Regulations in considerable detail. This Guide covers such items as Premises and Equipment, Sanitation, Personnel, Records and Samples, Quality Control, Product Information Records and Recall Systems.

The contents have already been discussed with pharmaceutical manufacturers and the Guide will be available shortly for distribution to the trade.

In addition, a draft has been prepared of a Guide on the Manufacturing Facilities and Controls of Imported Drugs. This document deals particularly with the interpretation of the Food and Drug Regulations as they apply to the information and evidence a drug importer must maintain about the manufacturing facilities and controls of his foreign drug supplier. This Guide will be ready shortly for distribution to the pharmaceutical industry. I am sure it will be apparent to hon. members that these two Guides—the preparation of which has been a task of considerable magnitude for officers of the Food and Drug Directorate—will be of considerable assistance to manufacturers.

They will also be of great value in obtaining voluntary compliance with the Food and Drug Regulations.

[Mr. Gendron.]

Regulations under the Food and Drugs Act have been amended to increase the control over imported drugs. It now is an offence for a person to import a drug in dosage form unless he has information available in Canada to show that the manufacturing facilities and control regulations have been met. Moreover, it is an offence for a person to import a drug in dosage form unless each lot or batch has been tested in Canada by an acceptable method to ensure identity, potency and purity for its recommended use, or failing that, satisfactory evidence is available to the Directorate that each lot or batch has been adequately tested in the country of origin.

Because a considerable number of drugs imported into Canada originate in Europe, the Directorate has taken an additional step to keep European manufacturers informed of the requirements which must be met before drugs can be imported into this country. A senior officer of the Directorate, who holds a Doctorate in organic chemistry as well as a degree in pharmacy, will be stationed permanently in Europe. As the Directorate's representative there, he will be able to provide valuable advice to European drug manufacturers who wish to export drugs to Canada, and will be in a position to evaluate their capabilities of meeting Canadian requirements. This arrangement will not only assist the Directorate in assessing the information and evidence supplied by European manufacturers but also alert the Directorate as to the standards of manufacturers in Europe.

For many years all foreign manufacturers of biological products such as vaccines, sera, toxoids and antibiotics for parenteral use, have been inspected at regular intervals by a senior officer of the department.

We look forward to the day when effective mechanisms have been established for the international standardization of requirements for manufacturing facilities and controls in drug plants. Until then, we are continuing to cooperate with the World Health Organization in its laudable efforts in this field.

A draft document on this important subject has been received from the World Health Organization and officers of the department have provided extensive comments on it. In addition, we are expanding our exchange of information with other governments regarding the quality of drug manufacturers in their country. For example, within the last two weeks an officer of our Food and Drug Directorate obtained extensive information on this matter at briefing sessions held with his

counterpart in the United States Food and Drug Administration.

It is clear that the Government has gone to considerable length to ensure that drugs imported into Canada will have to meet the same high standards of quality and safety required of domestic drugs.

It is legitimate to inquire, however, regarding the capability of the Food and Drug Directorate—on whose shoulders the added burden must necessarily fall—to monitor adequately any increased flow of drugs into this country which may result from passage of the legislation before you today. We have made a careful and soul-searching inquiry into the operational capabilities of the Food and Drug Directorate. In April 1968, 11 man-years were made available to the Food and Drug Directorate for the specific purpose of improving the Directorate's ability to maintain an adequate surveillance over imported drugs. I am pleased to announce that a further 22 man-years will be provided as of April 1, 1969 to improve the present level of surveillance of drug products. These man-years are being, and will be used to provide additional drug inspectors and drug analysts. Furthermore, additional funds and personnel have been made available to provide an increased capability for the review of new drug submissions as well as additional funds for the testing of drugs under research contracts for the next fiscal year. I should emphasize that these resources are over and above the necessary funds and man-years required by the Directorate to maintain its present level of service. This will, in effect, permit the Directorate to substantially improve the level of service in these areas.

As part of continuing studies on more efficient utilization of resources, the Food and Drug Directorate has begun a program of research on the feasibility of employing automated equipment to increase the analytical capabilities of the Directorate's laboratories.

It is anticipated that application of modern technology and instrumentation will markedly increase the analytical output of our chemists and technicians. One knows, for example, that by means of proper automation, it is possible to analyze from 10 to 50 times more of given pharmaceutical preparations in a day than can be analyzed by conventional methods. Procedures have been described in the scientific literature which permit analysis of up to 100 samples of certain drugs per hour. The equipment involved is complicated and considerable development work will be required before automated procedures can be used routinely on a broad basis. Nevertheless, we are pressing ahead as rapidly as possible to take advantage of this significant technological advance, which, if successfully applied, will permit the Directorate to substantially increase the routine survey type of analytical work on drugs with a relatively small increase in staff. If we increase the number of drug samples analyzed, our chances of locating inferior quality drugs will of course be increased.

• (12:10 p.m.)

The Directorate's knowledge of drugs on the market has been markedly increased as a result of the drug notification program. The Food and Drug Regulations relating to drug notification require that a manufacturer must provide, within 30 days after the drug is first sold, information on its name, the purpose for which it is recommended, a quantitative list of the medicinal ingredients and the recommended dosage. Notification is also required when a drug formulation is changed or a drug is withdrawn from the market. Data on nearly 30,000 pharmaceutical preparations have now been received and stored in a mechanical information retrieval system. The Directorate thus has rapid access to data on the drugs on the Canadian market.

Hon. members have no doubt read about, and been exposed to, arguments relating to therapeutic equivalency of drugs. This issue—of which much has been made recently by certain drug manufacturers—boils down to this fundamental question: Will two drug products containing the same amount of the same active ingredient give essentially the same clinical effects. The answer to this question has great significance to physicians, manufacturers, Government and the public. If the answer to the question is "yes"—if, in fact two products with the same amount of active ingredients will give comparable clinical responses, a physician's choice between the two products may well be based on relative costs. If a less expensive product is equally effective, there is no advantage to prescribing a more expensive brand of the product. For the direct determination of therapeutic equivalency, the ideal method would be to compare two or more drug products containing the same amount of active ingredients, in the same dosage form, by measuring their capabilities to alleviate the symptoms or control a specific disease in

human patients. Except perhaps in rare circumstances, such a comparison is neither practical or necessary. It would be extremely costly and very time consuming even if the required personnel and facilities could be found for such investigations. In many instances it would be contrary to medical ethics, since it would involve human experimentation under conditions in which a lack of therapeutic efficacy could have undesirable or even fatal results. Furthermore, objective clinical comparisons between drugs are notoriously difficult to achieve, because of differences between patients and differences in the symptoms or diseases under consideration. Therefore, our attention has been directed to use of an indirect measure of therapeutic equivalence—termed physiological availability. In determining physiological availability, the concentration of the drug being studied is determined in the blood and/or urine of human patients at intervals after dosing.

The problem of therapeutic equivalence—or the lack of it—received great prominence last year when it was found in the U.S. that certain brands of chloramphenicol, an antibiotic, gave reduced blood levels of the drug. These products also showed abnormal dissolution characteristics when examined in the laboratory. In Canada, our Food and Drug Directorate also found that one lot of chloramphenicol from each of two companies dissolved at significantly lower rates than that of the first brand of chloramphenicol marketed in Canada. Although this did not necessarily mean that these products were clinically ineffective, the Directorate as a precautionary measure advised the manufacturers involved to recall those lots of chloramphenicol from the market. The companies agreed and carried out a voluntary recall of the products involved.

The problem of therapeutic equivalence has been studied in detail by a task force of the United States Department of Health, Education and Welfare. A senior officer of the Food and Drug Directorate has served on one of the expert panels of the task force, concerned with the conduct of clinical trials carried out by various agencies of the U.S. Government to assess the biological equivalency of a variety of drugs. The task force in an interim report issued in mid-September of this year, concluded that instances of therapeutic non-equivalency have seldom been reported, and few of these have had singificant therapeutic

[Mr. Gendron.]

significance. The lack of therapeutic equivalency among drugs meeting all official standards for parameters such as identity, purity, potency and dissolution rate, has been grossly exaggerated as a major hazard to public health, the task force reported.

Despite the unequivocal nature of the task force's statement, so-called brand name manufacturers of drugs and their associations, both in the United States and Canada, have made much of the supposed therapeutic advantages of brand name products, for which they claim to have demonstrated evidence of clinical superiority. My officials, however, agree with the American task force. We feel that lack of therapeutic equivalency among drugs meeting all official standards has been grossly exaggerated as a major hazard to public health. With the exception of chloramphenicol, to which I have referred, we know of no documented instance of therapeutic inequivalence among drug products which are physically and chemically equivalent. Our views on this matter coincide exactly with those of Dr. Philip Lee, Assistant Secretary in the U.S. Department of Health, Education and Welfare, who testified to this effect recently to the Nelson Committee of the U.S. Senate. The question of therapeutic equivalence has been used as a convenient bogeyman by certain drug manufacturers in attempts to document unsubstantiated claims for therapeutic superiority of their products. They got a great deal of mileage out of the chloramphenicol incident, and have used it to make unwarranted generalizations about all drugs.

The plain facts—and they are abundantly documented in the scientific and medical literature—are that so-called brand name manufacturers of drugs do not have valid grounds for objection to so-called generic drugs on the basis of lack of therapeutic equivalence. Nor do they have evidence that brand name products are of better quality in other ways. The Director-General, Food and Drugs, testified in January, 1967 before the Special Committee of the House of Commons on Drug Costs and Prices (the Harley Committee) that on the basis of laboratory examination the Directorate had no evidence drugs sold under a brand name differed in quality from those sold under a generic name.

The Directorate's experience and views, have not changed since that time. It is clear that some so-called brand name products are lower in quality than they should be, and so are some so-called generic products.

Actually, it is our view that far too much emphasis has been given to the question of generic versus brand name drugs. Just to give one example, the Compendium of Pharmaceuticals and Specialties, Fourth Edition, 1968, published by the Canadian Pharmaceutical Association, Inc., lists seventeen acetylsalicylic acid products, manufactured by 14 different companies, all of which are sold under a brand name. Only 4 of these manufacturers are listed as member companies of the Pharmaceutical Manufacturers Association of Canada. I am sure that this Association and others who have been most vocal on this subject, would not be prepared to class the remaining 10 as "brand name" manufacturers or their products as "brand name" products. The truth is that practically all drugs sold at the retail level carry brand names. Thus any attempt to divide the drugs on the Canadian market into "brand name" and "generic name" products is an exercise in futility.

I referred previously to the fact that drugs which meet official standards may be expected to show therapeutic equivalency. One of the most important of these standards relates to the rate at which the drug dissolves in artificial gastro-intestinal fluids. An officer of the Research Laboratories of the Food and Drug Directorate is a member of a joint committee of the United States Pharmacopeia and the National Formulary, which is studying various procedures for measuring the rate of dissolution of drugs. In our own research program, we are giving high priority to the development of simple physico-chemical methods for dissolution which will correlate as closely as possible with the physiological availability of drug products.

Opponents of the proposed legislation have claimed that Bill C-102 provides an invitation to counterfeiting. There is no evidence to support this contention. Drug counterfeiting has been a much more serious problem in the U.S., where legislation similar to that embodied in Bill C-102 does not exist. Only one instance of the sale of counterfeit drugs in Canada is known. Last Spring the Food and Drug Directorate of my Department became aware of counterfeit tablets of a tranquilizing drug known under the brand name of Valium. Investigations carried out in conjunction with the R.C.M.P. showed that counterfeit Valium tablets were being peddled to pharmacists in the Montreal area in unlabelled bags and bottles. Analyses conducted in the laboratories of the Food and Drug Directorate revealed that the active ingredient, diazepam, was present in the declared amount.

• (12:20 p.m.)

Furthermore, no impurities of significance were present. Therefore the counterfeit product was *not* a hazard to health but it was being sold in clear and obvious violation of the Food and Drugs Act and Regulations. Prompt action by the Food and Drug Directorate and the Company producing the genuine product brought the sale of these tablets to a halt, a few days after the counterfeit nature of the product had been confirmed. I should like to repeat that there is no evidence that the passage of this legislation will encourage the counterfeiting of drugs.

Finally I wish to refer to the reports of the Hilliard and Boyd Committees. It has been frequently said by opponents of this legislation, that if the recommendations of these two committees has been implemented, there would be no problem. Well, let me review the situation as it now stands.

As you will recall, the Hilliard Committee was appointed to examine the patent licensing arrangement with respect to drugs. The action taken to date on the report of this Committee can be summarized as follows:

1. Under present procedures the Commissioner of Patents requests the opinion of the Food and Drug Directorate regarding the compliance of an applicant for a compulsory license with the manufacturing facilities and control Regulations under the Food and Drugs Act. Under Section 1, Subsection 13 of Bill C-102, it will now be mandatory for the Commissioner of Patents to give notice to the Department of National Health and Welfare of an application for a compulsory license.

2. The intent of the recommendation that the definition of a "new drug" be amended to include a drug manufactured by a new process or if new or more serious side effects develop, has been included in modified regulations currently being reviewed by the Department of Justice.

3. Drug manufacturers have been advised that prior to the issuance of a notice of compliance on a submission for a new drug for human use, a factual scientific document on the drug products, devoid of promotional material, must be available for distribution to physicians and pharmacists. This product monograph is to serve as a reference standard

against which subsequent labelling, professional literature and promotional material can be compared.

4. The new regulations requiring importers of drugs to have available in Canada evidence of adequate testing of the drug to ensure its identity, potency and purity, I have referred to already.

I believe the actions which I have enumerated above, meet the intent if not the exact wording of the major recommendations of the Hilliard Committee.

The Boyd Committee was appointed to study the existing legislation on investigational drugs. Action taken implementing the recommendations of this committee are as follows:

1. Regulations pertaining to the emergency use of new drugs were promulgated in November, 1966. These regulations permit the Director-General, Food and Drugs to authorize the sale of a new drug, for which a notice of compliance has not been issued, to a physician for use in a specified medical emergency.

2. A draft of regulations pertaining to new drugs to include requirements for clinical pharmacology trials and therapeutic trials has been submitted to the Department of Justice for review.

3. Drafts of guides outlining the general requirements for new drugs as well as guides for the preparation of submissions for the various trials have been prepared and will be sent to the pharmaceutical industry for comments and suggestions.

4. A draft of separate veterinary drug regulations have been prepared.

Again, the action outlined above, meets in large measure the recommendations of the Boyd Committee.

Hon. members may also recall that the special committee of the House of Commons on Drug Costs and Prices (Harley committee) in its final report recommended "that the Food and Drug Directorate publish not less than once a month an informative bulletin to the medical procession giving complete details on drugs and their actions and reviewing major drug uses in Canada". The Food and Drug Directorate has now been provided with the necessary resources to carry out this project and the initial steps have already been taken to implement this proposal. I believe that this publication will be of considerable value to physicians, pharmacists and dentists as a source of factual information on drugs available on the Canadian market. Therefore I was surprised to learn recently in a letter from the Pharmaceutical Manufacturer's Association of Canada this organization "entertain the gravest doubts as to the feasibility of such a report"—that is the bulletin recommended by the Harley Committee. This concern seemed completely out of harmony with a statement contained in a brochure entitled "Prescription Drug Industry Facts", published by the P.M.A.C. in September, 1968. The statement reads in part as follows:

> "Pharmaceutical companies must ensure that every physician and pharmacist across Canada is kept fully informed about their products. This continuous medical information and marketing service, covering a scattered population over a vast area and conducted in two languages, is an *essential* operating cost accounting for approximately 11 cents of the prescription dollar".

In this same publication the average cost of a prescription was given as $3.46, and therefore the promotional cost amount to 38 cents per average prescription. The P.M.A.C. is apparently saying it is essential—and worth 38 cents added cost per prescription to the public—that they keep physicians and pharmacists fully informed of their products, but that it is not a good idea to provide these same physicians and pharmacists with factual data obtained in the laboratories of the Food and Drug Directorate on these same products. I think physicians, pharmacists and dentists will be interested in such information as well as in comparative costs of drug products. Certainly the Harley Committee, which consisted of members of this house, felt it would be a good idea, and the Department plans to implement this recommendation to the fullest possible extent.

I have taken a considerable amount of your time to explain in detail the steps taken by my department to ensure the quality and safety of drugs imported into Canada. The legislation before you today—Bill C-102—should have a significant impact in reducing drug costs in Canada, without jeopardizing in any way the quality of the drugs offered to the public. Our responsibility to the people of Canada in ensuring its prompt passage into law is clear.

Some hon. Members: Hear, hear.

[*English*]

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to make a few comments on this complex bill. They will be general because the bill is going to committee where it can be carefully analyzed. Certain necessary changes have been made to the

bill since it last came before the house. The question arises whether the measure goes as far as it should in guaranteeing the safety and efficacy required to protect the Canadian people. I should like to put on the record what was said in an article which I picked up in a United States hospital this year. It is a very interesting article and is extremely apropos of what we are speaking about today. It reads as follows:

> The entire science of pharmacy and biopharmaceutics is based on the well-documented scientific fact that even minor changes in the formulation or an inadequate or an inconsistent formulation of a drug product can and do have profound effects on the clinical response to that product.

• (12:30 p.m.)

> To assume that drug products with the same active ingredient will always produce an equivalent clinical result is a scientifically unsupportable premise that has been repudiated by factual data and experience. No informed pharmacologist would deny that a variation in the formulation of a drug product, even though the active ingredient remained the same, could and often does produce a different biological and clinical effect. Since no two drug products have the identical formulation, varying clinical response can be expected. The very fact of standards and batch testing attest to this phenomenon, but even these are not sufficient. No official standards exist today that provide a biological performance test by which one can conclude that a particular drug product will perform as it is supposed to in the human.

I think this illustrates and points up the very difficult problem with which we are dealing here.

Now I would like to put on the record a report from the *Canadian Medical Association Journal* of July 27, 1968. It is interesting because of the fact that this bill is being brought in to lower drug prices. It reads:

> Drug prices for both prescribed and over the counter preparations showed a decrease of 4.1 per cent during 1967, compared with a slight increase over the past ten years, averaging 0.7 per cent per year. This decline in drug prices occurred shortly after the 11 per cent federal sales tax on drugs was removed. Not all items registered decreases: antiseptics were up 3 per cent in contrast to decreases of 5.1, 4.8 and 4.7 per cent in vitamins, prescriptions and laxatives.
>
> Yearly price changes for the range of drugs included in the index have fluctuated and show no definite trend, but changes have been moderate. It must, however, be kept in mind that the effects of the price levels of newly introduced drugs are excluded from these measurements.

Here we are dealing with another problem which I would like to bring up because Bill C-102 may be said to be basically an attempt to reduce certain retail prices in Canadian stores through competition injected by cheaper foreign products. It seems to me questionable whether this is an objective which parliament should encourage. Since Canadian wages are among the highest in the world and since unit costs are also high, it follows that our cost of living could be reduced across the board by fostering the importation of cheaper foreign products of all types. I wonder whether the Canadian people want that. It is questionable whether such a step would be approved by Canadians generally. I wonder what the automotive workers of Oshawa, the textile workers in Montreal, the fruit growers in British Columbia and the dairy producers in Ontario and Quebec would say about this. This is something that we must think about. We must think of the economy in which we operate, of the sacrifices we are making and of what we are doing.

However, I believe there is a much more important aspect to the possible wider importation of foreign pharmaceuticals. I refer to the health of the users. We in Canada are accustomed to a very high quality in our drugs, manufactured under approved and inspected conditions by highly qualified Canadian pharmacists. I want to say here that in my opinion the Food and Drug Directorate, with the facilities it has at hand, has done an excellent job. The Minister of Consumer and Corporate Affairs (Mr. Basford) would like to substitute for these drugs—I think this is his point—drugs of lower cost manufactured in other countries. But we require the assurance of the Minister of National Health and Welfare (Mr. Munro) that the officials of his department have the facilities to ensure that such imports will be satisfactory in every way. Nothing less will do.

I am glad the minister referred to that because I made a few notes of what the preceding speaker said. I understood him to say that for the direct determination of therapeutic equivalency the ideal method would be to compare two or more drug products containing the same amount of active ingredients in the same dosage form, by measuring their capabilities to alleviate the symptoms or to control a specific disease in human patients. Except perhaps in rare circumstances, such a comparison is neither practical nor necessary. It would be extremely costly and very time consuming even if the required personnel and facilities could be found for such investigations. I think that deals with that point. I think there is no justification for

spending the taxpayers' money in this careless manner. Why should the importer not pay for it?

Now I would like to deal with another point regarding a doubt which was expressed by officials within the department. The Canadian drug advisory committee of the Department of National Health and Welfare passed a unanimous resolution last fall expressing concern as to the ability of the Food and Drug Directorate to safeguard adequately the quality of drugs under Bill C-102.

Next I would like to say a few words about patents. There is no positive mechanism to date for the revocation of an in-force licence in the interest of public safety or to prevent abuse. For example, in July of last year over 2,500 bottles of an impure health salt had to be removed from the Canadian market. The manufacturer discovered this impurty and he felt it was his moral duty to report it. It was not the Food and Drut directorate that discovered it. Neither did they discover the counterfeit drugs that were sold in the city of Montreal. Let us be careful. But what about patent drugs arriving from some foreign country on which no one has the responsibility to report? I do not believe the Food and Drug Directorate has the staff to police this and I do not think they should be expected to do it. I feel that it does a good job, and I have said this before.

In introducing bill C-102 the Minister of Consumer and Corporate Affairs made certain statements. He claimed that the proposed government action on drug patents will break a monopoly and reduce drug prices. He knows better than that. This statement is not according to fact. Many patents have been broken by compulsory licensing in the last ten years, and he knows this as well as I do. Many Canadian manufacturers are operating under compulsory licences.

The minister said that the new legislation, if passed, will increase competition. Later he said that competition is present now. As a matter of fact, the bill may well destroy this competition by destroying the source of Canadian chemicals. The minister knows as well as I do that most of our chemicals are bought in Europe or Asia. Pharmacists buy those chemicals and have their contracts there. If foreign companies are going to manufacture more drugs they will require more of those chemicals. There is a danger there.

The minister also spoke about reducing drug prices, and then stated there was competition now. He mentioned that the owner of a drug patent has a 17-year hold on a drug, but then he admitted that a compulsory licence can be granted at any time if the applicant qualifies. Although the minister is a nice guy, it is not quite cricket to play the game this way.

The minister also mentioned that the industry would give a loan to Canadian companies and he added: "But they will have to compete with imported drugs". What will this cost the taxpayer? How many more millions of dollars will have to go into this? Will the United States subsidiaries qualify for this loan? I would like to have an answer from the minister because under the automotive trade pact they did. Will the drug firms be treated in the same way if they establish their factories in incentive areas?

• (12:40 p.m.)

The minister stated that this bill was necessary because of the high cost of drugs. When the discussion was started some years ago this was true in that there was not as much competition in the open market as there is today. I want to draw attention to the fact that the minister's figures, the ones he used to substantiate this statement, are not correct today. They are not in accordance with the facts. He probably picked them up somewhere—I don't know where—but they are a few years old. The table which appears in *Hansard* at pages 1512 and 1513 on October 17, 1968 is very misleading. In the first place, no dosage is given; there is no indication of the strength of the drug. I do not think it is fair to make use of a table of that kind. Then again, no generic equivalent of the drug is given. I might say there are many Canadian firms which have begun to manufacture generic drugs which bear a brand name—and I can give details if I am asked to do so. They are manufacturing these drugs. They have made their own stamps and put them on.

Here is another paradox. The minister said the purpose of Bill C-102 was to reduce the price of drugs. Then he carefully indicated that he had no control over the doctors who write the prescriptions to be filled at retail level. I wonder what is behind this. Is it an indication that the government intends to take over and control the whole practice of medicine? Will the next step be to tell the doctor that he must prescribe a certain drug whether or not he believes it to be suitable? Is this what lies behind the minister's statement?

It might be wise to look at the question of patents. Here is another interesting aspect. I have checked the percentage of patents which are foreign owned because this is a good indication of the amount of research which is being done in each country. In the United States only 16 per cent of the patents operating in that country are not owned by that country. In Japan, only 34 per cent of the operating patents are not Japanese owned. In Germany the figure is 37 per cent, in the United Kingdom it is 47 per cent, and in Australia, a country quite comparable to our own it is 63 per cent.

What about Canada? Ninety-five per cent of the patents operated in Canada are foreign owned. We ourselves only own 5 per cent of our patent arrangements. If this is not the biggest mark against us for backwardness in research, I do not know what is. It is a sad reflection on research in Canada and it emphasizes the need for greater activity in this field, in short, for less reliance on research done by other people.

Turning to another point, again I find the minister's statement somewhat confusing, to say the least. Of the nine products listed in *Hansard* on October 17 I find that four are no longer covered by patent protection. Yet the minister puts forward this list in support of his argument on patents. The drugs listed do not necessarily sell today at the prices given in the list. Three of the patents will have expired by 1972, and only two of the products have significant remaining protection.

I want to take a closer look at this question. One of the arguments advanced in favour of this bill is that the patent laws as they now exist bring about increased prices. Italy has no patent laws. Consider the case of achromycin, one of the drugs listed on page 1512. In Rome, where there are no patent laws, achromycin sells for $19.50. In Canada, the price is $13.56. What effect do patents have there, I should like to ask the minister? Take the sulfa drug gantrisin. In Rome, the price is $3.75, in Berne, it is $4.34, and in Canada the price is $3.64. You know, Mr. Speaker, there are two sides to every story and in this case the minister did not ride the two horses. He gave us one side but he did not give us the other.

Next I wish to look at the position of the drug enovid. In Rome, the price quoted is $19.20. Here in Canada it is $10.50. What about that? Next we come to butazolidin or phenylbutazone. Here is an interesting thing. According to the list the price in Canada is $5.57. Mr. Speaker, I could go into a drug store in Toronto and purchase the same drug for $2.15. I see the hon. member for Spadina is in the chamber, and he can confirm the truth of what I am saying.

Here in this list is premarin. The price in Rome is quoted at $9.85. Here in Canada it is $5.84. I could go on giving examples like these but I believe I have already said enough to show that the existence of patents does not always lead to higher prices.

I wish to refer now to the proposal for the enforced licensing of imports. Let me say this: a company obtaining a licence will likely choose the drugs for which there is the largest sale and upon which there is the biggest profit. This is a law of economics. It will leave to someone else the import of other products on which the profit is small and for which there is only a small demand. I wonder whether it is in this latter respect that the hon. member for Winnipeg North (Mr. Orlikow) wants a Crown corporation to operate.

Manufacturers will buy the necessary materials from the cheapest source and will always seek to sell in the most lucrative market. This always works to the advantage of the copiers of those drugs which have the biggest market, but it leaves the work of discovery and development for somebody else to carry on and finance. This being so, a good many years are needed before expenditures on the original investment in research are recovered.

The hon. member for Winnipeg North told us that millions have been made on two drugs in particular; he referred to chloromycetin and aureomycin specifically. I happen to know something about chloromycetin. In fact, the losses suffered in connection with this drug were terrific because it was recalled from the market. For a number of years it was not sold at all except under certain strict regulations. Millions were lost over the production of that drug. It has been made up since—

An hon. Member: How much had been made before it was withdrawn?

Mr. Rynard: They did not make anywhere near enough to cover their original investment. If memory serves me right, I had a chance to look into this one time when I was in Detroit.

I should like to point out that the cost of pharmaceutical research in Canada amounts to about $18 million. More than 10,000 people are engaged in it, about 2,500 of whom are

university graduates. This is another aspect which I believe should be kept in mind. We should also remember that under the strict controls now applied in the United States and likely Canada 6 per cent of the drugs now in use will be rated ineffective within a short period and no less than two-thirds now require revision of the claims made for them. This is according to a statement by the National Academy of Science of the United States.

The minister is opening the border to imports. How many millions will it cost to police the clinical safety of the products imported? How much would it cost to arrange for the inspection of the factories in which the products are made? How many more people will it be necessary to add to the existing staff? If these products are to be admitted, the department will have to police them. Can this work be properly done at any price? And if it can be done, is the price likely to be too high?

• (12:50 p.m.)

What would it cost to follow the Harley commission report findings and inspect factories where these goods are manufactured? Of what value would it be if notice of the visit is sent beforehand? Is there enough trained personnel to do this job if such drugs are coming into the country, and will we have to pay too great a price? Perhaps we might be saddling the taxpayer with a greater burden than any advantage he might derive. Even the hon. member for Winnipeg North (Mr. Orlikow) had some doubts in this regard.

I have less confidence in this bill than I have in the Minister of Finance who said that he would balance the budget or he would put on his hat and walk out. He did not walk out but he certainly left the Canadian people holding the bag as a result of a mistake involving over $600 million. I do not want to be unkind, but we have done some things here that have been wrong and made some mistakes which have been pretty costly to the Canadian taxpayers. As I say, at the moment I have no confidence in this bill. I think it is window-dressing, and like a lot of other things that the government does it is misleading. Again the Canadian people will be left to pay the piper.

I believe that every member of this house wants to see the cost of drugs lowered. I am sure that statement is correct and I give everybody credit for their views. But we also have to protect the Canadian people. We have to be sure that foreign drugs are up to quality and, second, that they are clinically efficacious for the diseases for which they are used. No Canadian should lose his life just because some drug does not measure up to the standard the doctor expects of it.

The hon. member who preceded me, if I understood the interpretation of his remarks correctly, referred to the fact that tests can determine what are the blood levels of a given drug. I agree that can be done, but I would like to ask him what this would cost.

Counterfeit drugs have been sold in Canada, and it was not the food and drug directorate that discovered the sales. It is my contention that the food and drug directorate does not have the personnel to do the job of protecting the Canadian people and affording the protection that this bill promises to give. If such protection should be provided, would its cost be much higher than any saving that might be achieved through lower drug prices?

I now come to my final conclusion in this matter. A survey was conducted in the province of Saskatchewan which showed that 50 per cent of the people over the period of one year had bought prescription drugs. It is estimated that roughly 25 per cent of the people of Canada find it difficult to pay for prescription drugs. Who are these people? They are the chronically ill, the unfortunates, the elderly, people who are sick, people on mothers' allowances, people on meagre pensions that inflation has eaten away.

I suggest to the government that if they really want to do something they should assist the people crying out for help to whom I have just referred. For example, the other day I visited a house where a man is keeping himself alive by drugs that cost him over $30 a month. He is receiving $107.50 a month and out of this also has to pay for his food and shelter. I suggest that the government should introduce a bill to provide for payment of the greater part of the cost of prescription drugs for people in this situation. Such action would bring some comfort and satisfaction to the hearts of those who today are beset with financial troubles and find life very difficult. Some are unable to buy drugs and as a result become ill and have to go to hospital, and hospitalization costs between $40 and $50 a bed a day, depending on where the bed is in Canada. Therefore, if the minister wants to show the people across Canada that he really wants to do something for them, let him do something for the 25 per cent of the population who find difficulty in obtaining the drugs that they need to live.

Mr. Allmand: Mr. Speaker, would it be in order to call it one o'clock since it is so near the hour?

Mr. Deputy Speaker: Order. 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. Warren Allmand (Notre-Dame-de-Grâce): Just before lunch, Mr. Speaker, I was listening to the hon. member for Simcoe North (Mr. Rynard), the chief spokesman, I believe, of the Conservative party, and I was very disappointed with what he said. From his remarks I found it difficult to determine exactly what the position of the Conservative party is on this bill in general and about the high cost of drugs in particular. I felt there were many contradictions in his speech and I will deal with some of them later. When the hon. member dealt with the table the Minister of Consumer and Corporate Affairs (Mr. Basford) presented to the house on October 17, 1968, he indicated that the table could be misleading since it did not specify the strengths of the drugs listed, the implication of the hon. member's remarks being that this was unfair.

May I point out that the table introduced by the minister, which may be found on pages 1512 and 1513 of *Hansard,* was based entirely on the table forming appendix (f) to the report of the Harley committee. It is set up in the same way and the strengths of various drugs are set out in the appendix. Moreover, I understand the hon. member was a member of the Harley committee, supported its report and supported the form which this particular table took. The difference between the two tables, that is, between the table forming appendix (f) to the Harley report and the one presented by the minister on October 17, lies in the fact that the table presented by the minister has brought up to date the prices of drugs to retailers in Canada and in other countries that are listed. May I also point out that this table was used by the minister who introduced a similar bill last year. That table, in the form in which it appears on pages 1512 and 1513, has been used on three occasions. If anyone is being unfair and misleading in this matter I suggest it is the hon. member for Simcoe North. As a matter of fact, on page 1512 of *Hansard* the Minister of Consumer and Corporate Affairs clearly states that the table he is presenting is based on the table that was produced by the Harley committee.

The hon. member's remarks contain many red herrings and contradictions. At one stage he said, "We, in the Conservative party, would like to see drug prices come down." Other hon. members of his party applauded him. Later in his speech he said, "After all, generally speaking, most Canadians have a high standard of living and can afford to pay for drugs. It is only those people whose incomes are fixed or at the low end of the scale who cannot afford to pay for drugs." After hearing the hon. member's remarks one could not tell whether the Conservative party felt drug prices were too high. The party's position, to judge from the hon. member's remarks, is not clear.

• (2:10 p.m.)

At another stage he criticized the government for spending money on certain medical and drug programs and said the government was spending too much money. Later in his address he suggested that we subsidize drug prices for certain people. Again it was very difficult to know what was the policy of the Conservative party with respect to drug prices. They offered no alternative policy and I doubt that they have one.

In discussing this bill there are several points that must be emphasized and I would like to deal with a few of them. The first point which is most important is that drug prices in Canada are too high compared with drug prices throughout the world and with other consumer prices in Canada. The allegation that drug prices in Canada are too high is supported by three very thorough studies. This has been placed on the record previously. This conclusion was reached by the combines branch, by the Hall Royal Commission on medical and health services, and by the parliamentary committee on drug prices which sat for more than a year and received evidence from all parts of the country. All three of these reports said drug prices in Canada were too high and away out of line.

Certain examples can be given. One is with respect to a drug called prodnisone, which is a cortisone preparation that is sold to retail pharmacists at $17 for 100 units, whereas the same drug is sold to hospitals at $1.95 for 100 units. Many other examples like this have been put on the record and I do not think there are many people who will contest the

allegation that drug prices in Canada are too high.

As I say, three studies have backed up this allegation. The Harley parliamentary committee stated that drug prices in Canada range from two and a half to eight times higher than the corresponding lowest prices elsewhere, and the table which was filed by that committee, by the former registrar general and by the present minister indicates that generally speaking there is a great difference between drug prices in Canada and drug prices abroad.

Another factor which indicates that drug prices are too high is the rate of return on invested capital received by drug companies in Canada. It was shown that in the last 12 years drug companies made a 20 per cent return on invested capital compared with an average 10 per cent return by other manufacturing industries in Canada. There is quite a spread from 10 per cent to 20 per cent, and we all know that there are many manufacturing concerns in Canada which make an even smaller rate of return than the average 10 per cent.

Why are drugs prices so high in Canada? Some of the drug companies have suggested that the reason is that they have had to do a lot of research and development, and that if we want to have a progressive drug industry, new discoveries and so forth, we will have to pay for it. Again, Mr. Speaker, when we look at the evidence given in the different reports we find that this just is not so. It has been found that 30 per cent of the sales dollar received by drug companies goes into sales promotion and only 7 per cent into research work. There is not really that much being spent on research in Canada compared with what is spent on sales promotion. Sales promotion takes up four times as much as research by drug companies.

The various studies to which I have referred said that the reason for high drug prices was, first, sales and promotion costs and, second, a market situation in which the drug companies were highly protected. One of the reasons they are highly protected is due to the protection given by the Patent Act. Patents are meant to encourage development and research but in fact they have led only to a high price structure for drugs sold to the Canadian public.

It may be asked, why is it important that we do something about high drug prices? The hon. member who preceded me suggested that the great majority of Canadians could afford these drug prices and that therefore possibly we should not stimulate competition and try to bring the prices down. But we must remember the very nature of the product involved. Drugs are designed for use by people who are sick.

When people are sick many of them have to meet high medical and other costs. Sometimes they lose their work owing to chronic illness. As a result their income goes down and their expenditure goes up. They spend a considerable amount to purchase the drugs they need. In addition, the older group in our society needs drugs much more often than other groups. There are many retired people in this group on pensions, on fixed incomes. As they get older they become ill more often and have a greater need of drugs. They find it hard to pay the high prices which drug companies and retailers are asking. Therefore there is a great necessity that we do something about these high prices.

The hon. member for Simcoe North said he did not know whether the Canadian people would accept this type of program that is designed to stimulate competition from abroad. He asked what the Canadian people would do if the same type of program were applied with respect to automobiles, textiles and several other products. To begin with, Mr. Speaker, the drug industry is necessary for people who are sick. Its product is a more essential one than the other products to which the hon. member referred. Second, the prices of these other consumer products are not as far out of line as are the prices of drugs in Canada.

This bill is not meant to be a single program to combat the high price of drugs. Originally it was placed before us along with four other measures. The former minister and the present minister said they did not expect any one of these measures alone would be able to bring down the price of drugs, but that acting in concert it was hoped they would. This was the recommendation made by the Harley committee and by other studies.

We certainly do not expect miracles from this one measure, but we think it will have a big effect along with other measures to which I refer. The others are the elimination of the sales tax on drugs, the reduction of the customs duty, and the program designed to have the Food and Drug Directorate keep Canadian doctors informed of the different drugs on the market and comparative prices so that doctors can prescribe a wider range of drugs,

especially drugs of equal quality selling at a lower price.

• (2:20 p.m.)

This bill, Mr. Speaker, is not a radical one. As a matter of fact some lawyers feel that the things it proposes to do could be done under the present law. The present law allows for compulsory licences on patents for drugs, but the director of patents has felt he could only grant such a compulsory licence for manufacture but not for import. As I said, many lawyers have disagreed with this. They felt the present law would allow compulsory licences for imported products.

The bill before the house, however, will make this point very clear. It will make very clear that the director of patents will be able to grant a compulsory licence for the importation of drugs. The whole purpose of the bill is that it is felt that by bringing in competition from outside the country we will force down drug prices through competitive measures. We know that drugs in other countries are sold at a much lower price than in Canada. The price often is one-third or one-quarter of what it is in this country. It is felt that if individuals or companies can import these drugs this will force the companies which make and sell drugs within this country to bring down their prices and that there will be a downward pressure on drug prices.

This measure is not very radical. Furthermore, when the Ilsley commission reported on patents it said that they should not be used as a tariff barrier to trade. Right now this is what is taking place. In many cases patents are being used as a tariff barrier to trade. If we look at the experience in other countries such as the United Kingdom and the United States, where there are similar procedures in respect of the importation of drugs which are under patent, we will see that the drug companies have not gone out of business. They did not stop doing research; they did not suffer very much.

I should like to refer to another point which has been raised by the official opposition, that is, the question of safety. The first speaker for the official opposition last night dealt primarily with the question of safety. I am referring to the hon. member for Athabasca (Mr. Yewchuk). He said that he would like to see lower drug prices but not if this meant unsafe drugs. This morning the hon. member for Simcoe North returned to that argument. He said that if this bill is passed we run the risk of having unsafe drugs.

I think it should be made very clear that the Patent Act and changes to it have no effect whatsoever on whether or not drugs are safe. The question of the safety of drugs in this country is determined by the Food and Drug Directorate. Whether or not this bill had been introduced we would want to see a food and drug directorate which would protect us against unsafe drugs. We would want to do everything possible to strengthen the Food and Drug Directorate. I and many other members of this house maintain that the question of safety lies with the Department of National Health and Welfare and the efficiency of the Food and Drug Directorate. It is their business to test new drugs which come into this country. We have been assured they would do this job well. This morning the parliamentary secretary to the Minister of National Health and Welfare again gave us this assurance which has been given on many occasions.

It has been pointed out that the policing of drugs and faulty drugs is not always done in respect of imported drugs. I believe it was pointed out last night by one member that very often the drugs which have been found to be faulty are drugs that have been produced by some of the major companies in Canada which have been producing drugs for a long time. So the policing of the drug industry will be carried out by the Food and Drug Directorate and will be done in respect of drugs produced in Canada and those imported under compulsory licences. But this has nothing to do with the Patent Act or changes to the Patent Act. I believe everyone agrees that everything must be done to protect the safety of the general public in respect of drugs. That will be done.

Objection to this bill has been expressed by those who say that if it becomes law it will affect research which is being carried on by the drug companies in Canada. They say that right now certain research is being carried on and that this bill could have the effect of cutting back on research programs and that much of this work will not be done in the future. Again I have not been convinced by that argument. I must say I listened to the many people who came to my office. Some of them are scientists working for drug companies and friends of mine. I have them sympathetic hearings. I invited their arguments in writing. Whenever I was approached by the officials of a drug company in Montreal I was asked if I would listen to their side of the story. I did so and told them that if they

could convince me they were right I would change my opinion. But the more I listened to them the more I became convinced they were wrong. I do not think this bill will in any way discourage those who are carrying on research in Canada.

When research is done by a drug company it is not done in respect of a drug which is to be used just in one country. It is done in respect of a new drug or product which will be sold throughout the world wherever it is needed. If a subsidiary of a particular drug company decides to do certain research work in Canada the reason they do it here has nothing to do with the patent laws of the country. If a new drug is discovered that drug will not be sold only in the country in which the research is done. It will be sold throughout the world.

In addition the bill provides that certain royalties will be paid to the holder of a patent when a compulsory licence is given. These are royalties which would be fair in an attempt to repay the developer of the product for the research that has been done. Furthermore, under the regulations of the Food and Drug Directorate new drugs are given a five-year period in which to operate without competition. In that five-year period there is an opportunity to establish a market and recoup the cost involved in the development of the product.

Therefore I really do not see how these companies will suffer too much with regard to research programs. Even if they were to suffer a certain amount, it would appear from their high rate of return, an average of 20 per cent on invested capital compared with an average of 10 per cent in other industries, that they could stand a little cutback in that area, although I do not think they will suffer that much.

A few other arguments were made this morning. The hon. member for Simcoe North stated that even though a compulsory licence is given in respect of import drugs the federal government has not indicated any program to make sure that the cheaper import drug will reach the consumer. He asked whether the government intended to control doctors when they write prescriptions. Of course this was a red herring. The government does not intend to force doctors to write particular prescriptions. The government made an announcement in this regard and the hon. member should have been aware of this. It announced that it intends to inform doctors on a regular basis, through the Food and Drug Directorate, about all the drugs that are on the market and their comparative prices so that when a doctor writes a prescription he will have information in respect of certain drugs which he might not otherwise have. He will know whether a particular drug is as good as the one he usually prescribes, whether it sells at a lower price, and he will know when he is prescribing it for an individual who is not too well off that it will do just as good a job as a very expensive one.

• (2:30 p.m.)

In asking that question this morning I thought the hon. member for Simcoe North was being very unfair. He said that 95 per cent of Canadian drug patents were owned by non-Canadians and that this indicated a lack of research in Canada. He suggested that through this bill we would discourage research to a greater extent. If 95 per cent of Canadian drug patents are now owned by non-Canadians, this situation must have developed during the time the present patent law has been in force. This does not provide a licence for importing. If the present law was that favourable to research we would have in Canada a much higher percentage than 5 per cent Canadian ownership of Canadian patents. The fact is that this 95 per cent foreign control occurred under the present law. If we are going to have a greater amount of research in Canada in the drug industry we cannot expect it to occur under the law as it now stands. This will have to take place as a result of government assistance to research in the drug and medical fields.

In conclusion let me say that we should be very clear that the people of Canada are faced now with extremely high drug prices. This has been confirmed by several studies. Very often the people in this country using these drugs are those least capable of paying or prepared to pay the prices. These are elderly people, sick people, the chronically ill and those without work. For that reason this bill should be passed as quickly as possible. It represents an attempt in conjunction with other measures the government is putting forward to correct this situation, and there is strong evidence that it will.

I am a member of parliament from the west end of Montreal and I know that some of my colleagues from that area are not as enthusiastic about this bill as I am. As a matter of fact, in the west end of Montreal there are many drug companies and many pharmaceutical houses. They have tried to

convince us that this is not a good bill. I listened to them but they did not convince me. The drug companies in Montreal are doing very well as are drug companies generally in Canada. They will continue to do reasonably well. The major benefit resulting from the passage of this measure will go to the consumers in the west end of Montreal and in other parts of Canada. We will have a much more equitable and just price structure in the drug industry, and I think this should be achieved as soon as possible.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, before getting into the details of this bill I should like to make it perfectly clear that I have no quarrel with its purpose. The people of Canada would be happy with lower prices for all commodities, including drugs, and this is a worth-while end to strive toward. From a humanitarian point of view it is very worthwhile to strive for lower prices in the drug field.

This bill should be examined in light of three or four aspects. Is this measure going to reduce the cost of drugs? This measure will be referred to a committee at which time we will have an opportunity to examine many factors which cannot be properly examined at this time. We must ask ourselves whether this measure will lower drug prices and what will be its probable effect. No real study has been made in this regard.

Will this measure allow a high level of control in respect of drugs? I have in mind value, purity, strength and clinical efficiency. What effect will this bill have on the drug industry as a whole and will the effect be immediate? What do we as a nation want to do in respect of the drug industry? Do we want a drug industry at all? I am sure we all agree that we do, but what level should it attain here? The drug industry is largely international. What effect will this bill have on the introduction of new drugs developed in the future? Will it help or hinder the distribution of these drugs for the benefit of the health of Canadians?

I should like to make one or two comments about other matters dealt with by the minister. Much has been said about this measure in respect of reducing drug costs. Several factors make me wonder whether it will actually reduce the cost to the consumer. The cost to the consumer is comprised of the manufacturing cost, the distribution cost and the prescription cost at the local drug store. The average cost of a prescription in 1966 was $3.50 to $3.75. It was found as a result of a joint survey carried out by the Saskatchewan Department of Public Health and the Saskatchewan Pharmaceutical Association that the average cost for one month's prescriptions in a small town in Saskatchewan was $3.71. A breakdown of this amount indicates that approximately 51 per cent was retained by the local pharmacist to carry on his business.

Before deciding that local pharmacists are overcharging we must remember that many of them are going out of business. The profession is not attracting many people, and the corner drugstores are disappearing. Of this average cost, 35 cents to 40 cents was taken by the wholesaler who distributed the drug from the manufacturer to the retailer. This only left approximately $1.40 out of the original $3.50 to $3.75 the consumer paid to the drugstore. It seems unlikely, no matter how many drugs are introduced as imitations of existing drugs to drive down the cost of competition, that the consumer will benefit materially as a result of lower prices. It would appear that the best a patient could hope for is a reduction of 20 cents to 30 cents per prescription even with very fierce competition.

Factors in respect of this new pricing arrangement might work against the lowering of the price of drugs at the retail level. Local pharmacists would have to increase their volume of drugs. This would increase their stock. There would be more wastage as a result of more brands being left on the shelf. This would occur as a result of a greater variety. Whatever advantage there would be in the reduction of drug prices would likely be more than offset by the increased wastage at the local distribution level.

There are other factors which would prevent a marked reduction in the cost of drugs to the consumer. Brand-name drugs, as result of promotion, would gain a larger share of the market. The imitators, those selling the same drug under another name, would be scrambling for the balance of the market. It is not likely they would obtain more than 30 per cent to 40 per cent, and there would be very little profit. These people would likely sell under a brand name in order to make as much money as possible. After all, they are in business to make a profit.

In my estimation the cost of drugs will continue to increase. The factor that will cause an increase and which has had the most significant effect on the cost of drug prescriptions is the changing pattern of drug pricing at the retail level in the last few years. There has been practically no patient demand to

reduce the cost of drugs. In other words, very few patients now say to their doctor, could you make this drug as cheap as possible as I have little money? This situation has been brought about by changes in retail pricing. I shall try to explain this, as I believe it is not of general knowledge.

Until approximately three years ago drugs were priced on a wholesale mark-up of approximately 100 per cent. A 75-cent prescription at the wholesale level for sleeping pills was being retailed for $1.50 and a $5 to $6 wholesale prescription for antibiotics was retailed at $10 to $12. A few years ago the pharmacists in conjunction with the industry—this was applauded by the government and all those in the health field—changed the pricing system. This was done by applying a dispensing fee to the wholesale cost of drugs. The fee varies in many parts of the country but in my province it amounts to about $1.90 at the moment, which I believe is about average. Nearly all sections of the country are slowly changing over to this method of prescribing. It has the advantage of reducing the cost of more expensive drugs to the patient in that a $5 wholesale price now becomes $7 but the cheap 75-cent prescription becomes $2.75.

• (2:40 p.m.)

This has caused an upgrading of cheaper prescription drugs and a downgrading of more expensive items. It has reduced the pressure on physicians to prescribe less expensive drugs and permitted them to prescribe drugs that are more expensive and which are in general considered to be a better product. There is now little point in not prescribing a more expensive drug. In addition, the practice has been growing of supplying drugs free to patients, but at government expense, in respect of those in the income group where the price of drugs is a significant factor. Five per cent of the people in my area are designated as indigent by the provincial government and under its medicare scheme they receive all forms of drug therapy free of charge. It is because of the chronically ill in this group that the most pressure exists for a physician to prescribe a cheap form of drug. This segment of the population has now been taken care of by means of government sponsored plans, and this has resulted in the pressure on doctors to prescribe cheaper drugs being not nearly so great. Indeed, doctors may be unfamliiar with the price of drugs, and therefore the relative cost of a prescription is of much less importance to them than is the case when the patient is himself paying for the drug.

If the cost of a prescription is only $3.75 to $4, the physician thinks that prescribing the more expensive brand of drug means a difference of only 25 cents. It is impossible for him to think of 14 brands of tetracycline and decide which one in a prescription will be, say, 30 cents cheaper than a more expensive drug that will cost about $5. I would also like to point out that the physician tends to prescribe brand name drugs because he knows them better and thinks they are the best. I am not saying that this is the fact, but it is generally the way the physician feels.

As an example, I noticed in a local drugstore about a dozen types of tranquillizer which might be given to a member of a family that had suffered a bereavement. One was a brand name tranquillizer costing a nickel each and another was not a brand name and cost only one cent each. This means that the brand name tranquillizer costs 60 cents a dozen and the non-brand name product only 12 cents, or one-fifth the price of the brand name drug. One was a good looking pill and the other was not, but they were both passed by the Food and Drug Directorate.

The second major factor of the bill is the effect it will have on the pharmaceutical industry of this country now and in the future. If it is our intention to dampen down the pharmaceutical industry and perhaps dispense with some of it, we should understand that this is the intention. Mr. D. H. W. Henry, when testifying before the Harley committee on February 7, 1967, stated that perhaps the first fundamental issue emerging in the committee's proceedings was whether a drug manufacturing industry ought to be preserved in Canada in its present form. To do so would require the continuation of the protective devices which the industry considers necessary to its viability but which deny Canadians access to less costly drugs. I question whether the change made in this respect will necessarily make less costly drugs available to Canadians. Therefore this is one of the points we have to consider.

I suggest to the minister that he should ask the finance, trade and economic affairs committee to recommend that some aspects of this question be referred to committee of the whole in order that we may decide whether the passing of the bill and the granting of compulsory licences thereunder will have a significant effect on the industry and, if so, is this what we want? I have an open mind

about whether we should or should not make changes which would seriously affect the industry. There is no doubt that the provision relating to compulsory licensing will have an effect upon the sources of supply of these drugs. It is quite possible that some manufacturers will become distributors to a greater extent than is now the case. Manufacturing would then tend to concentrate on those products which Canadians can produce.

I would like to point out that there is one drug company which is perhaps considered small in this country but is large in the world. It is based in western Europe. The name product which it produces is a tranquillizer but it also produces a few other lines in small volume. It is almost certain that these small volume lines will be produced elsewhere than Canada. The company has been considering this question and may decide it can import from Mexico the drugs it needs. It has plants in 24 countries. Its Canadian plant produces the largest selling drug. It is not considered to be as good a drug as their own. I think it is of interest that the company produces a different quality drug in different parts of the world. Therefore they will wait and see what effect this bill will have on the industry.

The Canadian drug industry is made up largely of foreign companies based in the United States, Switzerland and Germany. This is the nature of the drug industry. It is a world wide industry which transcends borders, and its market is the whole world. It is in Canada a significant factor in our economy. Its exports run as high as $20 million. Its sales of packaged pharmaceuticals were $200 million in 1966. It employs 10,000 Canadians, of whom one-quarter are university graduates.

These large companies are for the most part subsidiaries of parent companies that are spread around the world. Whether we like it or not, these drug companies have brought us new drugs. Without the drug industry in the world as a whole many of our new drugs would not have been developed. Over 80 per cent of the new drugs that have been developed in the last 30 years have been developed by the industry. Penicillin is a classic example. It was known for many years, but it took the drug industry to process it to the stage where it could be prescribed as widely and as cheaply as it is now.

The question of safety is extremely important in connection with this measure. The parliamentary secretary to the Minister of National Health and Welfare referred to a long, complicated, detailed and technical study in respect of measures taken in an attempt to preserve the high level of safety sought in conection with drugs on the Canadian market. The thread running through the whole question of safety is that the Canadian Food and Drug Directorate will rely largely on their counterparts in various parts of the world when making decisions in respect of the safety of drugs. Hungary was disclosed as the country which produces the cheapest drugs. Italy, Japan and Hong Kong are areas in which a great many drugs are produced. In many countries drugs are not that highly developed and their safety leaves something to be desired. I think this is particularly so in respect of Hungary; and for many years the Italian drug industry was notoriously poor in that some manufacturers produced poor quality drugs. Therefore the Food and Drug Directorate is faced with a tremendous task in attempting to police drugs which are really only being touched on now.

If I understood properly the parliamentary secretary to the Minister of National Health and Welfare, he said that the Food and Drug Directorate will still rely largely upon generic equivalents in deciding whether a drug is as good as its makers claim. This, of course is a bone of contention. He also stated that it would be practically impossible to prove the clinical efficiency of drugs by blood levels and all the other means by which scientists ascertain whether a good drug is being marketed. There is nothing better than the good name of a company when it comes to deciding the quality of a drug.

The thread running through the whole question of drug safety is whether a clinical generic is the equivalent of the brand name drug. Those who argue that the generic equivalent is the same are generally people concerned with research in universities or the Food and Drug Directorate who do not deal with patients directly. Those who feel that there is a difference between generic name and brand name drugs are mostly those who deal directly with patients. It is interesting to note that the Russian drug industry, which cannot be accused of being profit-minded, gives brand names to the same drugs coming out of different factories. Apparently they believe that some factories make better drugs than others although supposedly they are all the same. It will be interesting to see in the committee whether it can be ascertained how effective these safety measures will be.

Patent Act—Trade Marks Act

• (2:50 p.m.)

I think the matter of the introduction of new drugs in this country in the future should concern us. I understand that the Food and Drug Directorate will now require a five-year guarantee that the producer will be the sole maker and seller of a new drug in Canada. I welcome this because I believe it will foster the introduction of new drugs into the Canadian market as it will give the producer of new drugs at least five years during which time he will be able to exploit the market if he is successful and to ensure he will not have a competitor. I would like to point out that without this measure there will be little desire on the part of new drug manufacturers to introduce drugs in any great quantities if they feel there is a possibility these drugs could be picked up by their competitors as soon as they became popular and are promoted and established.

There is one area concerning which I would like to say a few words, and on this the success or failure of this bill will rest so far as its application is concerned. This legislation will put the drug industry almost wholly in the hands of the director of the Food and Drug Directorate. He will be the one who will determine whether or not new drugs and new licences will be issued. This is an enormous responsibility. It may well raise the question of delegated legislation because the number and brands of drugs that are to be introduced into this country will depend on whether or not the director grants import licences. The second person on whom much depends is, of course, the physician. It is he who will decide whether or not to prescribe a cheaper drug.

We should consider the effect of drugs and we should keep some perspective. I know of a hospital whose capital cost amounts to $1,200,000 a year. Their drug bill amounts to $30,000. Even with the most rigid economizing it is unlikely that its drug bill could be reduced by more than $5,000 or $10,000. When one considers that in a hospital employing 200 or more people all the patients are receiving one form of drug or another and probably 60 per cent of them receive regulated drug therapy, one must retain a sense of perspective concerning the cost of drugs. We can have cheaper drugs if we wish to have fewer of them or if we wish to have less effective ones or a greater variety and variance in their quality.

The Food and Drug Directorate apparently feels that the circulation of pamphlets to doctors would be of considerable value. I would like to remind the minister that doctors have many circulars coming to their desks. It does not really seem to be very useful to add further circulars, particularly a drug price list. Most likely it will not be available when the physician wants it or could use it. So I think that this method of attempting to reduce drug costs is of doubtful value.

Finally, I would like to say that I am looking forward with particular interest to dealing with the clauses of the bill concerning the retention of efficiency in drug inspection when the bill reaches the committee.

Mr. Max Saltsman (Waterloo): Mr. Speaker, although this debate has just commenced the points made by a number of physicians in the house are emerging very clearly. It is fairly obvious that all of us are concerned about the high price of drugs and about the old, sick and weak in this country. But there seems to be some difference as to how the problem should be tackled. If I may be permitted to say so, the Conservative position may be summarized in this way. They say: "We are concerned about making drugs available to people who cannot afford them. Let us subsidize the industry, but for goodness sake let us not touch the companies nor affect their profits. They are sacrosanct. The government of this country must subsidize these companies, not bring the price down. That is wrong." This seems to be the Conservative position at the moment. I think they are men of good will who are concerned about those who are suffering in this country because they cannot afford the necessary drugs.

The Liberal position is similar, particularly the position taken by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), who seems to have spent a good part of the time at his disposal soothing the drug companies and assuring them that their profits were not going to be affected very much by this legislation, that nothing terrible was going to happen to them, that nothing drastic was on the horizon, and that they did not have too much to worry about. I might say to the hon. member that he is one of the more courageous Liberals in the house. Here is a man who is willing to collide with the drug companies, which is more than can be said for some other hon. members in this chamber. We are all aware of the enormous influence that the drug companies have exercised on members of this house and members of the other place. I say this as a compliment to the hon. member for Notre-Dame-de-Grâce, but it is still an indication that even that courageous man had to get up and defend the profits of the

drug companies of Canada and assure them that nothing drastic was going to happen to them as a result of this legislation.

We are going to support this legislation because we think that it brings a measure of improvement to the situation in that it will inject an element of competition which is much needed in the drug industry. Our position has been stated in the past. Hon. members may recall that our party was highly unpopular because of the position we took. The Liberals were scrambling to go to a convention and insisted that we stop talking about drugs. But we stayed here until we got an assurance from the government that this bill would come back. We are glad that we put pressure on the government at that time and that we received that assurance.

• (3:00 p.m.)

We are glad to see this legislation before us because there was a real danger that even this milquetoast piece of legislation would never see the light of day. I say this because it is an open secret that hon. members belonging to the Liberal party approached members on this side of the house asking them to fight for this legislation because they felt the same kind of fear. So, we are glad to see the bill before the house today, and glad it is to go to the committee.

Nevertheless, we also wish to say that the measure will not do the job which is needed and that the government should consider putting into effect the suggestion we made when the legislation was before the house earlier this session, namely, that a Crown corporation be established to market and, if necessary, to manufacture drugs for the benefit of the people of Canada.

I should like to believe that such a corporation will be established despite what may be indications that the government is not prepared to support a proposition of this kind today. So often in this house have we seen a pattern along these lines. I was interested to note that in reply to a question put to him during a television program on January 5 the Minister of National Health and Welfare (Mr. Munro) indicated that he would be willing to consider the establishment of a Crown corporation if the merit of such a course could be demonstrated. I hope we may receive the same kind of reply, or perhaps even a stronger statement in favour of a Crown corporation, from the Minister of Consumer and Corporate Affairs (Mr. Basford). In Canada, Crown corporations are an accepted instrument of national policy and development. Many Crown Corporations have been set up for different reasons at various times in our history. I suggest there is a compelling reason at this moment for introducing legislation to establish a Crown corporation in this particular field, namely, that the drug industry in this country is a national disgrace; it has miserably failed to meet the needs of the Canadian people.

The present situation is a clear example of the conflict between the goals of private companies and the public welfare. I am not saying that the gentlemen involved in the drug industry are bad people as individuals. As a matter of fact, I understand they are very nice. I hear they take great care of their children. Some of them like dogs. Some of them keep cats. They do not kick animals. They do not go around with gabby women. The integrity, as individuals, of those engaged in the drug industry is not the question before us. The point is that the aims of the industry as such are in conflict with the public need.

It often happens, I suppose, that people simply drop into a situation of this kind, and having done so there is little they can do about changing the pattern, even if they wanted to do so. Each company they compete with operates within the same terms of reference. The very character of the industry itself makes it hard for changes to be made. As we have heard, the industry spends something like 30 per cent of its gross income on advertizing and promotion. Any private company trying to compete would have to do the same thing. If a competitor sends out detail men, it would have to do the same. If a competitor gave away free samples, it would have to follow suit. If one made little presents at Christmas time, the other would be forced to do so.

An hon. Member: Or an election contribution.

Mr. Saltsman: If one gave an election contribution or placed an advertisement in a medical journal, the other would have to do the same. So they are all on a merry-go-round, and even though certain people within the industry might recognize the inefficiency of these arrangements they would be unable to do anything about it.

How does one get away from such a situation? Obviously the industry cannot reverse its own course, nor can it correct its errors. It

is for this reason that urgency attaches to the setting up of a Crown corporation which would break through the present structure. If the situation is not corrected, if the Canadian people do not get the quality drugs to which they are entitled at the lowest possible prices, it is not the drug companies which are to be blamed. The United States corporations should not be blamed, the blame must rest directly with the government responsible for acting on the people's behalf.

Only the government carries such a responsibility. The private drug companies have a responsibility to their stockholders, and much as we may decry their higher than average profits, their terms of reference are to enlarge their profits and return as high a dividend as possible to their stockholders. But those are not the government's terms of reference. It is not the role of the government or of the opposition in parliament to worry about the profits of drug companies. It is their role to concern themselves with the welfare of the people of this country and to cease to be preoccupied with silly inhibitions as to the way in which the drug industry should be organized. The way in which the drug industry should be organized is the way which is best for the Canadian users of drugs, and I suggest the most useful thing to do in this connection would be to establish a Crown corporation.

Hon. gentlemen in the official opposition should not frown upon Crown corporations. If history is examined we see that most of the Crown corporations in this country were set up under the sponsorship of the Conservative party. I believe the Conservative party was responsible for the C.B.C.

I should like to quote the opinion of a former prime minister, Mr. R. B. Bennett, as expressed when introducing the bill to establish the C.B.C.

> No other scheme than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefit and pleasure of radio broadcasting.

I understand that only one member of the house rose at that time in objection to the bill. Rarely has there been so harmonious a debate. Granted, Mr. Speaker, this was before the book by Judy LaMarsh had appeared. Nevertheless, it is an indication of the way in which this house has been willing from time to time, when faced with a national imperative, to make use of the services of Crown corporations.

[Mr. Saltsman.]

We have used Crown corporations to assist the businessmen of this country. We have set up an Export Credits Insurance Corporation to help businessmen insure their goods against loss through non-payment by foreign buyers. I approve of this measure. I think it is one we all support. We have set up an Industrial Development Bank, which also assists businessmen, because it fulfills a purpose, based on a need. For the farmers, we have the Canadian Wheat Board which has done a great job for western growers. It has easily demonstrated its value. In wartime when we were unable to secure adequate supplies of rubber for the war effort we did not hesitate to establish a special corporation. This corporation has become internationally famous as the Polymer Corporation of Canada. It has become profitable and has returned large dividends to the Canadian public. All attempts to sell it to private concerns have failed because it has demonstrated its profitability and value to this country. We have established crown corporations for somewhat less worthy reasons, albeit for reasons that were sound. The Canadian National Railways Company was formed to bail out investors. Instead of letting the investors fall flat on their faces, the Canadian government came to their rescue and we have been paying for it ever since. However, the action was justified at the time because it was part of the nation building process.

• (3:10 p.m.)

All kinds of crown corporations have been established in this country, and for different reasons. Only yesterday we discussed a bill to set up a further crown corporation to be known as the Freshwater Fish Marketing Corporation. Again this corporation is to be established for good reason: the marketing arrangements for our fishermen have been unfair and the new corporation is designed to correct the situation.

I think it would be instructive to quote the words of the Minister of Fisheries (Mr. Davis), who spoke last night about the reasons for asking the house to set up this corporation. As reported at page 4397 of *Hansard* he said:

> The corporation proposed in this bill will do that. It will be doing it, I expect, in a more efficient manner than the slipshod, relatively primitive, and unorganized way which has characterized most of our freshwater fish operations.

I suggest we could characterize the drug industry in the same way by deleting the

words "freshwater fish operations" and substituting "drug industry".

If we are willing to bail out investors, to establish crown corporations to assist businessmen, or farmers, or fish producers, then what is the inhibition about establishing a crown corporation to assist the people of Canada to buy drugs at the lowest possible price? Surely, there can be no argument against this if the government is willing to do it.

Perhaps the government will say, and I hope it does, that it is willing to set up a crown corporation in this industry if it can be indicated what the corporation's role will be, how it will operate, and how it will assist the Canadian consumer of drugs. To this end, I should like to make a number of points.

There is now considerable evidence that the drug industry requires some price competition. It can be demonstrated that there is a great deal of product competition; perhaps half a dozen different manufacturers make similar products. But I suggest this is really not true competition, particularly when so much of what the manufacturers call research goes into creating minor variations of drugs that can be labelled and identified as different one from the other. Rather than reducing prices, this kind of minor variation product competition increases prices. Too much of our energy and sales effort is expended in arguing the value of A over B, when both products are really much the same except that they are made by different companies. This is not the kind of competition that has any significance.

On top of that, Mr. Speaker, these companies have been colluding with each other. There are numerous examples of drug companies being brought before combines investigation boards because it is alleged they have conspired together internationally to artificially maintain prices. As time goes on this problem becomes more acute. As these companies become more and more internationalized and their roots spread, even free trade is no answer to the probem of lowering prices. With whom are these companies going to compete if they are making cartel agreements internationally? As I say, free trade offers no answer to this sort of thing.

I suggest that the only meaningful kind of competition that can take place in a situation of this type is that which comes from a crown corporation that will not play ball with the other companies; a corporation that is not internationalized and that is responsible to this parliament; one whose terms of reference are the service of people rather than the highest margin of profit. This can be the only significant kind of competition in light of what is happening internationally.

Drug prices, on many authoritative estimates, are at least 50 per cent greater than they need be. I listened with interest to the speech of the hon. member who preceded me. He talked about the hospital in his riding that spent only $30,000 on drugs; I think that was the figure. It did not seem a great deal in view of the total budget of the hospital. However, what he perhaps neglected to mention is that hospitals buy their drugs for a great deal less than the average consumer. Hospitals tend to buy their drugs in large lots, and usually in generic form. So, hospitals are in a different position.

One of the things that this bill will attempt to do, and I think it is a worthy attempt, is to inject some competition into the system by encouraging smaller manufacturers to compete with the giants. I hope the minister will recognize that simply making a few million dollars available to try to cope with a problem of this magnitude is not going to be enough. Not only that, the smaller companies already find it virtually impossible to compete with the giants except under very unusual circumstances.

I should like to indicate part of the nature of the problem with which the small drug manufacturer is faced by reading a portion of an article that appeared in the *Globe and Mail* of August 13, 1968. It is headed "Tiny Toronto drug operation Canada's biggest independent", and reads:

> For his own industry, he would like government recognition and promotion. Paul Maney's biggest problem is fighting the big companies' whisper campaigns in doctors' offices—

Then, the article quotes a Mr. Cook:

> "—We need the government to take an interest and endorse the companies who deserve endorsement."

• (3:20 p.m.)

Simply making money available to these companies is not going to solve that problem. That will not stop large drug manufacturers from frightening doctors with whispering campaigns. I do not suggest the doctor's position is not difficult, because it is. The doctor is responsible to his patient. Yet, when a fellow comes along the doctor has known for a long time, a fellow who gives him samples, who seems a decent sort, who does not kick animals and says, "Look, these little guys are dangerous," the doctor will listen to him.

After all, he does not know how long the smaller companies will stay in business. He has confidence in the man he has been dealing with and therefore continues to prescribe the drugs of the larger manufacturers despite the fact that equally effective and cheaper generic drugs are available.

A Crown corporation which would act as an independent marketing agent for some drug manufacturers would gain the public's confidence. The corporation need not be a manufacturer of drugs. Being a crown corporation, involved perhaps in the distribution and marketing of products in which the public could have confidence, it need not spend 30 per cent of the money it takes in pushing sales to doctors. A Crown corporation would have to act in a responsible way because, in the final analysis, it is answerable to the highest forum in this country, this house. The operations of such a corporation would mean that the smaller drug manufacturers could have their products marketed, with the public enjoying full confidence in the quality of those products. That would cut through the entire nonsense of present marketing techniques.

The operating costs of a Crown corporation would not be low because it would need to employ well paid, high calibre people. The great advantage to be gained from a Crown corporation, however, is that we could circumvent present spurious marketing techniques which undermine the public's credibility in drugs. People would have more confidence in drugs approved by the Crown corporation, and that is an important point to consider.

The hon. member for Notre-Dame-de-Grâce (Mr. Allmand) demonstrated the fallacies in an argument raised by a previous speaker. He showed that 95 per cent of all drug patents do not originate in Canada. Any Canadian looking at the facts casually must be shocked. After years of having their own sweet way, the drug manufacturers have undertaken almost no research in this country.

An hon. Member: Parasites.

Mr. Saltsman: My colleague from the west uses strong language, but I think it describes the situation.

Mr. McCleave: You are thinking of insecticides.

Mr. Saltsman: The language is becoming very strong. Perhaps I better continue with my argument.

[Mr. Saltsman.]

Mr. Knowles (Winnipeg North Centre): Tell it as it is.

Mr. Saltsman: I will tell it as it is. Obviously, the major drug manufacturers will not conduct any research in this country. Let's stop kidding ourselves that they will. They will not, despite all the incentives we give them. Most of our drug companies are owned by United States parents, and it makes no sense for them to do research here. Why should our drug companies undertake research here? I suggest that most of the significant Canadian research has been undertaken within government agencies. After all, our government agencies have no United States parents.

Since our Crown agencies have no United States parents they undertake original research work. In fact, such research work has been undertaken only in our universities, Crown corporations and research institutes. Therefore let us stop kidding ourselves that if we allow drug companies larger profit margins we will induce them to undertake research. The value of a Crown corporation such as I suggest ought to be set up lies in the fact that it will undertake research. The money we are spending in support of research—so far that money has brought negligible results—will bring results, and original research will be undertaken in this country.

Canadians search for fields in which they can excel. We have specialized in the production of raw materials, such as forestry products. Canadian grown wheat is greatly admired all over the world. I suggest that we could excel in the production and distribution of generic drugs, which could be made available to the developing countries of the world. We could take a lead in this field, have the know-how, the personnel and the appropriate institutions in which such work could be undertaken. In conjunction with countries like Sweden, Germany, France and Italy we could work towards the objective of producing drugs at low cost to be made available all over the world.

Though drug prices are high in this country, we are fortunate in that drugs are available here. The people of many emerging countries who need drugs do not have access to drugs. If through a Crown corporation we managed to market high quality but low cost drugs in those countries we could break this international cartel that exists only for the purpose of making as great a profit out of us as it can. Any research the cartel does it does with a view to increasing its profits and not

to benefit mankind. I do not see why Canada should not specialize in the manufacture and distribution of drugs. I agree that it is necessary to make safe drugs, and possibly we could specialize in the manufacture of a selected number of drugs. The value of a Crown corporation is that it exists to serve people. I do not care whether companies in the drug field come under private or public ownership.

• (3:30 p.m.)

I have no hang-up about public ownership or private ownership. I do not think there is intrinsically any greater merit in one or the other. That is not my argument. It is not a philosophical argument I am making. The argument I am making is that a crown corporation would be more effective for serving the needs of the people of the country. It would be more responsive because it would be answerable to the people of the country in the way that these major international drug corporations are not. Surely, this must be the ultimate test of the value of an organization, the test of its responsiveness to the needs of people.

Therefore, Mr. Speaker, because the drug companies have failed the people of the country, because they have been preoccupied with their own interests, there is a vital need for the establishment of a responsive instrument, a crown corporation, for the manufacture and distribution of drugs.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, two developments were predictable this afternoon. First of all our friends to the far left took credit for this legislation. Since 1933 the socialist party in this country has taken credit for almost everything that has happened in Canada with the possible exception of motherhood, and they made their contribution in that area. Before I leave this first point, may I say there has never been any doubt at any time that it was the intention of the government to proceed with this legislation after June 25 last year. This has always been enshrined in Liberal belief and policy. It did not require the pushing of any group in this house in order to inspire Liberal members to introduce this legislation again.

The other predictable development this afternoon was that our political medicine friends to the far left again suggested that the universal snake oil that cures everything is nationalization or the establishment of a Crown corporation. This medicine has been splashed all over the country since the formation of that party and really, Mr. Speaker, it is impossible to simplify great national problems by merely suggesting that we nationalize an industry or establish a crown corporation. That bottle of medicine should be labelled "Dangerous if taken internally," certainly for some maladies. At the same time, Mr. Speaker, I think the government members are gratified that there is such a measure of support, at least on the part of some members in opposition, for the legislation that is before us.

I rise in support of this measure and I commend the responsible minister for his unswerving determination to fight the excessively high cost of drugs in this country and his determination to bring on this legislation early in the new year. Undoubtedly, this bill is going to encounter opposition in many sectors of Canada. Certain sectors of the community are going to suggest that there are dangers inherent in this legislation, dangers to health, dangers to freedom, dangers to research, but all of these considerations are outweighed by the advantages of this proposal.

There will be opposition from those who will provide frightening descriptions of a vital drug industry in ruins. There will be opposition from those who profess to be clairvoyant. They give us the picture of research scientists leaving Canada by the thousands, thus finishing research in this country. There will be opposition, some I am afraid by well-heeled lobbyists, who will assert that free enterprise is in peril and that somehow, if the government acts to protect the consumer of Canada in this way, we are going to do irreparable damage to the system.

One of the objects of the measure before us is to relax patent protection, as we know it, in order to inject more competition into the drug industry in Canada. It is hoped that this will bring down prices. The government is not suggesting price control; it is not suggesting nationalization. But this is the type of thing which is now being threatened in Sweden. Some hon. members may be aware of the fact that the Swedish government states it may nationalize the country's pharmacies to reduce the cost of drugs in that country, yet the Canadian prices of eight popular drugs are estimated to be 86 per cent higher than the prices of those drugs in Sweden. So, the government of this country is acting to make sure the Canadian consumers are not paying an excessive amount for vital drugs.

In the weeks to come we can expect additions to the lexicon of fear literature and propaganda against Bill C-102. There will be opposition, some of it from those who are sincerely concerned about some of the implications or what they believe to be the implications of this measure. But I fear, Mr. Speaker, that at least some of the opposition to Bill C-102 emanates from those with a vested interest in soaking the sick. Their specious reasons for opposing this measure are rooted not so much in a concern for the consumers of Canada but in a desire to maintain a status quo which has seen Canadians spend far too much on certain drugs.

Those who remain unconvinced that excessive profits are being made in certain sections of the drug industry should read the reports which have been amassed in this country by three committees, which indicate that this fact exists.

There are few members of this assembly who can remain unaffected by the letters and telephone calls received from people on limited incomes, pensioners, retired civil servants, people living on very small incomes with their purchasing power diminishing day after day but who are saddled with a drug bill. I can recall one lady who phoned me over the Christmas vacation to tell me she spends over $75 a month for drugs.

Not only must we attempt to lower drug prices in this country but we should encourage provincial governments, where they have received substantial amounts of money under the terms of the national medical care plan, to proceed as soon as possible to provide a certain amount of drugs each year per family.

My telephone rang many times over the Christmas vacation and I was told the story of the effect the cost of drugs is having on many families in our country. Surely, a just society must be concerned about the ability of our people to maintain a decent level of health. And just as surely, if that level of health depends upon access to certain drugs at fair prices then an assembly of this kind must act to assure that drug prices are fair and that the drugs themselves are safe.

The brutal and tragic truth is that some families have been stricken by chronic illness, and there are thousands of them in my own province and across the country. As a result they have required large supplies of expensive drugs and have been virtually ruined by high prices. When it is demonstrated, as it has been, that many vital drugs are vastly over-priced, and when self-regulation by the industry does not result in the establishment of satisfactory price levels for these drugs, any responsible government must act.

Some articles have appeared in national magazines on this subject. I have here *Maclean's* magazine for July 25, 1965, in which the president of one of the drug manufacturing companies wrote:

> —the politicians and the public have to ask themselves if this is really in their own best interests—

Meaning the promotion of legislation of this kind.

> If we abandon the patent system, we cannot expect Canadian companies to spend money developing new drugs. It is significant, I think, that all the important drugs have been discovered in the Western World and under the free-enterprise system.

He added:

> One enormous advantage of the drug-patenting system is that it has encouraged a drug-manufacturing business in this country. Drugs are produced here under the regulations of Canada's Food and Drug Directorate and the manufacturer is responsible. If anything goes wrong, he's easily found and held accountable. There is a very grave risk that if all drugs were imported their general quality would go down.

• (3:40 p.m.)

This is the gist of the opposition to this measure which we have heard across the country. But it is not quite that simple. If we look at the report of the Harley committee we must ask ourselves the question, how much should Canadian consumers be required to pay for this so-called research. The report states:

> The costs and benefits of alternatives must be weighed. The various inquiries re drugs have concluded that research on drugs in Canada is not significant, and that which does exist is not supported by the patent law.

Those are the facts, regardless of the public relations speeches made in this country. The report continues:

> In terms of the manufacturer's dollar, 7 per cent is spent for research and development of all kinds as reported by 41 P.M.A.C. companies in 1964. This figure would be somewhat higher for 1965, possibly relating to increased tax concessions for Canadian research. If it can be assumed that the manufacturer receives only 50 per cent of the pharmacists' price to the consumer and the suggested list price for a specific drug was $5, then the consumer's contribution to research and development as a result of that particular purchase would be 17½ cents—in any event, a fairly insignificant sum.

Then, we have the argument which has been cited that research will be endangered

by this measure. During the parliamentary session of 1966-67 hon. members will recall the special committee of the House of Commons on drug costs and prices received a report from the pharmaceutical manufacturers explaining the expenses of a group of 41 member companies in 1964. They sold $110,465,396 worth of pharmaceuticals and spent $32,977,561 on so-called marketing expenses. This figure included $16,844,633 for field selling expenses. In other words, the care and feeding of the detail men. Also included is an amount of $11,438,533 for advertising and promotional expenses. That includes medical exhibits, promotional samples and direct mail advertising. It might include a glossy pamphlet or a teak box containing a new tranquilizer. This is an item of $32 million to sell $110 million worth of drugs.

The question we must ask ourselves is whether this is really necessary in order to preserve the health of the Canadian people. I am not willing to accept the suggestion that is circulated around the country that this is a recognized and responsible practice in some sectors of the economy. Surely, a just society must be concerned about the ability of our people to maintain a decent level of health. The measure before us does not contemplate the need or the possibility of placing the drug industry in shackles. The measure has as its objectives lower prices, safe drugs and a viable and competitive drug industry.

A special committee of this house several months ago came to the conclusion that the people of this country pay far more for their drugs than they should and that our drug prices are among the highest in the world. It recommended that several steps be taken to ease the burden of the heavy drug bills many families must pay. The 12 per cent sales tax on drugs was abolished over a year ago. While this had a beneficial effect in some areas, some drug prices continued to rise. A report in one of the national newspapers last July stated that the average price of a prescription drug at that time was $3.62 as against $3.49 the year before. The report stated further that 49 per cent of the pharmacists are filling prescriptions with less costly generic drugs, while 43 per cent are using the same drugs sold under a brand name. The remaining 8 per cent use either, depending on the drug prescribed.

Action in the area of the sales tax has not totally corrected a situation which led three public inquiries between 1963 and 1967 to blame lack of price competition due to patent, tariff and trademark protection among other things, for the unduly high prices of some drugs in this country. It is difficult to understand how there can be any serious opposition to a five point measure of the kind we have before us. We have already instituted the sales tax removal from drugs and reduced the customs duty on drug imports by 5 per cent to 15 per cent. Who in this house can in sincerity oppose a program of providing objective information to doctors about the properties and prices of drugs? Who in this house can in sincerity oppose a pharmaceutical industry development assistance program? There is the direct loan system under the Department of Industry to strengthen low price drug houses competing with major international drug firms.

Who in this house who is concerned about the health of the Canadian people can, in good conscience, oppose conferences with the provincial governments about ways to tackle the high cost of retail distribution of drugs? What about the dangers in respect of alterations of the patent law which have been referred to by some hon. members? Canadians are told that an alteration in the law—and I cite the Harley report—would clearly have a detrimental effect on the quality and the safety of drugs. Visions are conjured up of bootleg drugs being furtively imported into the Canadian market. We are given the vision of the drugs coming into Canada through the auspices of non-inspected distributors with a resulting lack of the degree of quality control that attends the Canadian manufacture and distribution of patented drugs under brand names.

What are the implications of these allegations? The first is that the so-called generic drugs, or non-brand name drugs, are unsafe. The second is that increased importation of them from overseas will result in a failure of the Food and Drug Directorate to be able to maintain the quality of drugs in Canada and, third, that drug products from overseas have some sort of sinister connotation and are to be distrusted because they are foreign. This is the suggestion to be found in some of the articles which are being written. We are given a vision of some unethical foreign company turning a fast pound, franc, lira or zloty by mixing a batch of ingredients in some dirty basement and putting the product in a plain brown wrapper for shipment to some fast-dollar distributor in North America. Arguments of this kind are rooted in prejudice, misinformation and perhaps worse.

All members will agree that it is of the utmost importance that drug safety be a paramount consideration. Drugs that hazard health are intolerably expensive at any price; but let us consider the arguments which are advanced in some quarters in opposition to this bill. Patents have nothing to do with the quality of drugs. Assurance of quality depends upon the controls exercised by the Food and Drug Directorate and quality controls exercised by the manufacturer. All manufacturers must meet all the requirements of the Food and Drugs Act and regulations. The government cannot check every batch. That is clearly impossible. But new requirements went into effect in May. The require that manufacturers must have information available in Canada to the effect that all requirements relating to manufacturing facilities and controls are being met. The drug must either be analysed in Canada or the data concerning its potency must be listed and made available. The onus is on the manufacturer and the information must be available in Canada so that we will know exactly what is in the drug which is manufactured abroad and brought here.

Contrary to the implications of some, a patent confers no guarantee of quality. Indeed, let those who espouse this belief present evidence to indicate that quality declines in a product whose patent expires or is not patented at all. It is too bad that the people who appear on television and talk about the dangers of this legislation did not provide persuasive evidence to the successive commissions which invited them to do so.

Mr. Basford: They have not read the act.

Mr. Perrault: As the minister points out, they have not read the act. How did the Harley committee deal with this allegation? What the Harley committee said about this appears at page 12 as follows:

• (3:50 p.m.)

> Unfortunately the brand name manufacturer often gives the impression that generic products are not safe.

The report of the committee then stated:

> It is the opinion of your committee, however, that this viewpoint is not necessarily valid, it not only having been challenged by the generic drug manufacturers but also by purchasing agents of some hospitals and government departments who have ordered and continue to order ... drugs by their generic name.

Government agencies are using these drugs and this has been pointed out earlier today. I ask hon. members to note the following, again from the Harley report:

> The food and drug directorate made it clear that, in their opinion, based on the testing they performed, generic name drugs and brand name drugs are equally "safe".

Indeed, it was reported to this house earlier in a speech today that a percentage of the products, for one reason or another, labelling or contents, is the same in respect of drugs manufactured in Canada and those manufactured abroad. Drugs sold under a common or proper name do not differ significantly from those sold under a brand name according to tests conducted by the food and drug directorate.

The proposed amendment allowing the importation of drugs into Canada under compulsory licencing presents no new elements as far as the importation of the active ingredient and the preparation of dosage forms in Canada are concerned. At the present time, as hon. members know, there is no bar to the importation of non-patented drugs as basic chemicals into Canada for manufacturing into dosage forms. Both brand name and generic manufacturers are importing fine chemicals now for finishing into dosage forms.

Again, before the Harley committee, as recorded at page 2022, the question of domestic drugs vis-a-vis imported drugs was discussed by Dr. R. A. Chapman, director of the Food and Drug Directorate. He said:

> In summary, then, we do not have evidence that imported drugs represent a significant hazard to health.

He then said:

> However, we feel that to ensure that this situation prevails in the future it will be necessary to periodically assess the manufacturing facilities and controls of foreign firms exporting drugs to Canada.

This is the kind of action which is being taken. The importation of basic pharmaceutical ingredients under compulsory licence is not likely to be any different from the situation that exists at present.

In this house at the beginning of this debate the hon. minister gave the assurance—he is present and he has done an outstanding job in respect of this measure—that high standards would be maintained. In effect, he has assured this house on behalf of the government that if the importation of finished dosage forms from a wider selection of sources necessitates additional measures to ensure that these drugs meet all the requirements of the Food and Drug Act and regulations, these additional measures will be taken.

In effect, we are assured that if the Food and Drug Directorate is unable to elicit the necessary co-operation from foreign manufacturers, then their product will be excluded from the Canadian market. In this regard let it be noted that the Food and Drug Directorate already has the responsibility to ensure that drugs on the Canadian market including those from abroad meet all the requirements of the Food and Drug Act and Regulations.

The Hoffmann-LaRoche company of the Pharmaceutical Manufacturers' Association of Canada acknowledges the practice of generic manufacturers of maintaining adequate quality control as outlined in their statement again before the Harley committee. Let me quote from page 730:

> —the copier has to have quality control all the time; he has to, to comply with the Food and Drug Directorate and in order to stay on the market... If he is caught with bad drugs he will not be there—

The Horner company expressed a similar opinion when a representative said:

> If the Canadian importer of raw materials is able to show that his compounded dosage form meets food and drug requirements for stability, disintegration and dissolution, there is no reason to think that the public will be exposed to any new or different risks.

The same principle shall apply, of course, to the importation of finished dosage forms.

In conclusion, I should like to say that the amendment to the Trade Marks Act should not in any way affect present levels of safety assured by the Food and Drug Directorate. Hon. members know that before drugs which are imported can be offered for sale, an arrangement is in effect whereby customs officers at the larger ports of entry hold drug shipments until the invoices have been checked and, where considered necessary, lots sampled.

There are other safety controls. Hon. members should be aware of the fact that the Food and Drug Directorate has the responsibility to ensure that drugs which have different formulae, but bear the same trademark, which are imported into Canada are as safe and as efficacious as those drugs which bear the same trademark and are manufactured in this country. In addition, all imported drugs must meet all requirements of the Food and Drug Act and regulations. These include the requirement that both the inner and outer labels shall carry adequate direction for use, a quantitative list of the medicinal ingredients contained therein, and a correct statement of net contents. By this regulation, the composition of imported drugs would be known to the pharmacists and, if the drug is not sold on prescription, to the purchaser as well.

Variations in the formulae of drugs imported into Canada which bear the same trademark as Canadian drugs will probably be minimal, but if they are sufficiently different to constitute a danger to Canadians hon. members know that under this legislation the minister can and will probably take appropriate action.

Safety and efficacy should not be maintained by conferring and perpetuating a monopolistic control over the drug market by large drug firms through patent and trade mark legislation. The obvious and sound technique, the technique contemplated in this measure, is to ensure safety by providing that drugs on the Canadian market, be they imported or domestically produced, meet all the provisions of the food and drug regulations.

I apologize to the house for racing through a speech which was scheduled to be longer than 25 minutes. Many aspects of this measure have been discussed heretofore in the house and I think it has been established that the case for action is unassailable. It is to be hoped that this measure will enjoy substantial support on the part of hon. members concerned about the welfare of Canadians, no matter where those hon. members may sit in this house.

The Acting Speaker (Mr. Richard): Order, please. 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 and notices of motion.

BUSINESS OF THE HOUSE

Mr. MacLean (Malpeque): Mr. Speaker, before we proceed to private members' business perhaps the government house leader would place on the record the order of business for Monday and one or two other days of next week.

Mr. Macdonald (Rosedale): Mr. Speaker, I thank the hon. member for his question and for this opportunity to outline the business for next week. There is a change in the order of business announced yesterday in view of the fact the item we have been discussing today has not been passed. As the first order of business on Monday we will call item 37,

the bill amending the Canada Evidence Act. The second order of business will be item 17, the bill in respect of the Historic Sites and Monuments Act. We will then return to the drug prices bill which is item 13, an act to amend the Patent Act, the Trade Marks Act and the Food and Drug Act which we have been discussing today.

PRIVATE BILLS

BONAVENTURE AND GASPÉ TELEPHONE COMPANY, LIMITED

The house resumed, from Tuesday, December 3, consideration of the motion of Mr. Cyr (for Mr. LeBlanc, Rimouski) for second reading and reference to the standing committee on Transport and communications of Bill No. S-12, respecting the Bonaventure and Gaspé Telephone Company, Limited.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when one reads this bill, which is private members' legislation, or public legislation in the hands of a private member, he will note that the purpose of Bill S-12 is to resolve the doubt as to whether the company may dispose of its undertaking to a company incorporated under and subject to the laws of any province of Canada. One might presume there is a legal problem involved, and that is the end of the matter.

This bill was discussed in the house on December 3, some weeks ago. I wonder whether the sponsor is aware of the fact that this is not a small company which started with a capitalization of a couple of hundred thousand dollars to provide local telephone communication in a small rural area, but that it is a company totally owned by the Anglo-Canadian telephone company which in turn is owned by General Telephone. This makes it a subsidiary of one of the largest telephone companies in the world. In fact, this is one of the largest corporations in the world with telephone communications in Australia, the West Indies, and across the United States. Therefore, the question involved is not whether there is a legal qualification in relation to the sale of this company. I say this is not the question because we can refer to previous debates in connection with the bill and see what was said about it. This house dealt with Bill S-33, respecting The Bonaventure and Gaspé Telephone Company, Limited. The

Senate dealt with the bill in 1968 and the following was said about it:

• (4:00 p.m.)

Honourable senators, the purpose of this bill is very simple—

I presume it is very simple for exactly the same reason.

—for, as shown by the explanatory note, attached to the bill, its object is to resolve doubts as to whether The Bonaventure and Gaspé Telephone Company, Limited, may dispose of its undertaking to a company incorporated under or subject to the laws of a province.

When Bill P-6, respecting The Bonaventure and Gaspé Telephone Company, Limited, was dealt with in the Senate in 1955, the following was said about it:

One of the main purposes of the bill is to ask parliament for authority to increase the authorized capital to $2 million, and to divide this into shares of a par value of $25 each. The par value of the present shares is $100, and the proposal is that existing shareholders will receive new shares in the proportion of four for one.

Then, it was said:

A further effect of the bill is to change the date of the annual meeting, which at present is fixed for the first Thursday of September in each year. The bill repeals section 8 of the act of incorporation and thereby makes the date of the annual meeting conform with the company's fiscal year—

And so on. Then, we find these words used in the Senate debate on the bill:

The bill would also give effect to the company's desire that amalgamation and acquisition or sale of property may be carried out with the consent of the majority of the shareholders, and under the supervision of the Board of Transport Commissioners. Since the present act was passed, parliament has given the Board of Transport Commissioners jurisdiction over telephone companies. The bill provides that all matters pertaining to this company shall come within the jurisdiction of the board.

Finally, the bill would give the company the right to furnish radio and television services and other improved means of communication, in line with the right enjoyed by other companies.

How the sale was to take place was outlined exactly in the debate which took place in 1968, when the following was said:

The special 1907 act which set up The Bonaventure and Gaspé Telephone Company, Limited—and I would refer honourable senators to chapter 64 of the 1906-1907 statutes—was amended by chapter 86 of the 1955 statutes in order, among other things, to empower the company to sell its business under the following conditions: first, the sale has to be approved by a meeting of shareholders called together for this purpose, at which meeitng two-thirds of the shares issued must be represented by shareholders present in person or by proxy; second, the sale cannot take effect unless first

approved by the Board of Transport Commissioners which, as the honourable senators know, has since become the Canadian Transport Commission.

It was originally agreed that this company should have the power—and that power was granted in the amendment of 1968—to sell or acquire additional property and to modernize its operations. The measure provided in the main that the company would, if necessary, be able to dispose of its undertaking. I understand that since that time the company has been able to sell all its stock, except four shares. These four shares are held by an estate and there is a small difficulty, not from a financial but a legal point of view, in transferring them. The remainder of the company is owned, operated and totally controlled by Quebec Telephone. I am sure that many people in the province of Quebec believe that Quebec Telephone is a provincial agency. This is not true, of course. Quebec Telephone, like British Columbia Telephone, is owned by Anglo-Canadian.

It is interesting to note that Anglo-Canadian is the Canadian counterpart of a number of subsidiary companies under the control of General Telephone and Electronics Corporation which hon. members will find, if they read Moodie's Public Utility Manual, is really a holding company with subsidiaries in many countries.

In July, 1966, General Telephone purchased Anglo-Canadian Telephone Company and made it a wholly-owned subsidiary. They acquired the controlling interest in Quebec Telephone Company, with 119,000 telephones. In 1967 General Telephone, together with a controlled subsidiary, Anglo-Canadian Telephone Company, controlled 50.24 per cent of British Columbia Telephone Company and 53.07 per cent of Quebec Telephone Company, with 835,000 telephones in British Columbia and approximately 126,000 telephones in Quebec as of the end of December, 1967. This indicates, Mr. Speaker—and I know that you have a great deal of knowledge of corporation law—a great difference between what this bill says and what is the fact.

• (4:10 p.m.)

If this bill is passed this company will retain an inter-provincial charter, and it will be operated by a company which almost totally owns its assets. Again, that company will be controlled by a 53 per cent ownership in the Anglo-Canadian Company which in turn is wholly owned by General Telephone and Electronics Corporation in the United States. So, we are not really dealing with a small rural telephone system which needs to be upgraded and brought into another area. This is a major corporation power play in which we are involved, and we should look at it in that light. It may be advantageous for us soon to think about the amalgamation of all our telephone services in Canada, not for economic reasons in particular but so as to bring together all the telephone systems that have linked up the various rural municipalities in the past.

In last night's Ottawa papers I noticed, as I am sure other hon. members did, a small announcement proposing that the shareholders of a company meet and make a decision concerning the sale of the Lever River Telephone Service at Masson, Quebec. I am sure that this also is a very small telephone company. They mention that they have only several thousand subscribers, and quite often the subscribers of this type of telephone service are also the shareholders in the company. We have hundreds of these small companies all across the nation and they are being gobbled up either by Bell Telephone Company, by General Telephone or by the American Telephone and Telegraph Corporation. My colleague says these are good shares to buy. Frankly, I would say that the shares of any of these telephone companies are good because they almost have the right to print money, and when they come before us to ask for an increase in rates they can always justify their request.

The house will remember that when we reduced long distance rates because of automation, very shortly thereafter we found that the company had increased the rates of the subscribers because their income had been lowered in one area and they had a need for profits in another.

Surely, members of parliament are aware that there are many disadvantages in allowing three major corporations to get involved in our Canadian telephone service. I think that this is where the difficulty arises. Anyone who has travelled very much across Canada would agree with me that there is no country in the world that is as well equipped to handle telecommunications as is Canada. This is something of which everyone in Canada should be proud. On the other hand, in the United States where the telephone companies have operated on a dog eats dog basis, it is very difficult to make connections with certain types of telecommunications equipment between one system and another.

It may be that the type of conversion of all systems in Canada makes it possible to make

a telephone call with any kind of equipment from any part of the country to almost any other system even when mobile, remote, satellite and radar communications are used. In the United States this is not always possible. There is considerable difficulty there in intercommunication. In England the system is chaotic. On the European continent it probably takes half a day to make a telephone call. This is also true in other countries.

I think one of the advantages that we have in Canada where there have been so many small companies with subscriber shareholders is that we have been able to unite them into a unfied telephone service across the country. If large units had been involved, we would have been using Northern Electric equipment in one area, automatic equipment in another and English Electric in still another. We would find then that these various pieces of equipment were not totally compatible and the difficulties in communications would have been compounded.

We in Canada are probably more dependent on telephones than any other place in the world. We are notoriously the greatest users of telephones in the world. Our per capita use of the telephone indicates a female tendency to long windedness, and therefore telephones have become a very important part of our everyday life. Therefore, I think it behooves us to be very careful in passing this type of bill, which I consider to be very dishonest. The bill does not say anything dishonest but it does not present the whole picture. Perhaps we cannot do much about it. It may be that we will soon have to face up to whether or not we want a monopoly in the telephone system in Canada. I believe we do. I believe that we satisfy provincial separatist traits when we allow the Northern Telephone to operate in northern Ontario, the Quebec telephone system to operate in Quebec, the British Columbia telephone system to operate in British Columbia and the Saskatchewan telephone service to operate in Saskatchewan. We may be fostering provincial pseudo nationalistic pride, but this will not really solve the problem of the establishment of the best type of telecommunication that can be obtained for the money available.

I am sure that when the Northern Telephone Company, which was one of the largest independent companies, was bought out, many methods were used to purchase the control of the stock. In effect, however, Bell Telephone now owns the Northern Telephone Company which might as well be called Bell Telephone. The Quebec telephone service might as well be called General Telephone because that is what it is. I do not even think it should be called Anglo Canadian Telephone because that is a wholly owned subsidiary of the parent company, General Telephone. There is nothing wrong with this situation and I am not suggesting any dishonesty, but I do not think it is in the interest of the Canadian public. I presume that the problem facing the people in Masson today is that they have to make up their minds whether or not they will sell their stock and allow a large corporation to control their shareholder controlled company or whether they wish to participate in a larger corporation.

[Mr. Peters.]

The Acting Speaker (Mr. Richard): Order, please. I wish to advise the hon. member that the time allotted to him has expired.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to take part in this debate mainly because of some personal feelings I have about matters like this, feelings that I have held for a number of years, and also because I think I have some idea of how the members of my party right across this country feel about it. I also wish to take part in this debate because I am convinced that a fairly large number of Canadian citizens, some of whom do not necessarily support or do not belong to my party, would agree with the kind of arguments that my colleagues and I are putting up in this house on this measure.

We are told that the Bonaventure and Gaspé Telephone Company merely wants a slight change in the wording of previous legislation in order to eliminate any possible doubt that they can dispose of the remainder of their shares. We are also told by the sponsor of the bill, and this was said in the other place also, that there is not much to this request because after all 99.9 per cent of this company is already owned by the Quebec Telephone Company. Therefore, it is only a matter of arranging for the remaining one tenth of one per cent ownership.

• (4:20 p.m.)

Mr. Speaker, I suspect—I hope I am wrong—that if this is all that is bothering these various companies they would be unlikely to allow the small matter of a few words about which they are in doubt to prevent them from completing the transfer of ownership. Methinks there is more to this than meets the eye. Whether this is true or

not, I, for one, feel this bill will never pass this chamber. I say so for a number of reasons. For one thing, we are considering a measure which is concerned with United States ownership in the communications field, precisely the field in which there should be, at best, public ownership or, at least, Canadian ownership. Personally, I could not give a tinker's damn about the welfare and good order of various United States communications companies. I will not be a party here or anywhere else to improving the health and welfare of corporations of this kind.

I maintain that systems of communication, whether by telephone, radio, television or telegraph, should be completely and totally the business of the nation concerned, not entered upon or interfered with by any other nation. I believe, along with my hon. friends and members of my party across the country, that there must be no foreign ownership of telephones, radio, telegraph, television or similar methods of communication and broadcasting in Canada. It is bad enough that a telephone company should be privately owned. It is even worse that it should be foreign privately owned. As a Canadian I don't like it when I know that if I live in Gaspé or Rimouski and pick up the telephone it is really owned and controlled by a United States corporation. You may think, Mr. Speaker, that I am overly worried about foreign interests. Nevertheless I do not think it would too difficult for somebody in the C.I.A, for example, who wished to find out what a subscriber of the service was saying on the telephone, to arrange to listen to his conversations.

For these and similar reasons it seems to me no Canadian worthy of the name would have anything to do with the passing of legislation which allows the transfer of a Canadian communications business to foreign ownership. I do not envy the sponsor of this bill, the hon. member for Rimouski (Mr. LeBlanc). I feel sorry for him for having sponsored it. I would not touch it with a ten foot pole; I would not sponsor it in this house or anywhere else on a bet. The efforts of this company to complete its transfer to the Quebec Telephone Company represent nothing more than the consolidation of various United States companies owned and operated in Canada. We are told the present arrangement is causing extra expense, duplication of administration and so on. That is too bad. As I said earlier, I am not interested in improving the good order and financial position of United States companies in the telecommunications industry in Canada.

The telephone is a public service and by its very nature such a service should be provided by public enterprise. This is a proper field in which public enterprise should operate. I hope that some day the government in the province of Quebec will say: Enough of this; we intend to take over all the telephone companies operating in Quebec and provide at cost, or as near cost as possible, a completely integrated and wholly publicly owned telephone service in the province. Three provinces have already done this. I do not altogether agree with the hon. member for Timiskaming (Mr. Peters) that the establishment of a nationwide telephone service operated by one company is necessary at this time. The system may one day evolve into that, but in the meantime it seems to me the ten provinces, owning and operating their own telephone services and integrating their long distance and microwave networks would provide not only a better and cheaper service for Canadian citizens, but a system—and this is even more important—which was owned and run by Canadians.

When I look at Moodies Public Utilities Manual and take a look at the entry concerning the General Telephone and Electronics Corporation, I am impressed by the fact that this is not a company one could easily feel sorry for. It is not ready to become a welfare case and it is certainly not one whose survival depends upon the transfer of supposedly one-tenth of one per cent of the shares of the Bonaventure and Gaspé Telephone Company. Its acquisitions go back many years. When one looks at the amount of debentures, both convertible and cumulative—preferred and subordinate convertible debentures, whatever those are—it becomes apparent that the company is not ready for the social welfare department. It cannot be said to need any part of the Quebec Telephone Company or the Bonaventure and Gaspé Company for the success of its operations.

In Moodies directory there is a map of the United States showing the extent of this corporation's holdings. They do not really consider the operation in Canada to be of sufficient significance to justify putting it on the map. I do not even know why they bothered with it. I suspect the main reason is that the corporation has plans for moving into the communications field to a greater extent in the future, not only in the telephone service but in the manufacture of communications

equipment in Canada. As far as I am concerned, we need more of this like we need a hole in the head. This corporation has proceeded to acquire not only telephone companies but organizations which market telephone and communications equipment. It has acquired ownership in telephone companies in some 15 states in the United States, including Alaska. It is by no means the largest international telephone or electronics corporation. A.T & T. is larger, as are one or two others. Bell of Canada would be larger than this one. But, as I say, I believe foreign communications companies have absolutely no business, in fact, no right, to be in this country. They should be hastily bought up and politely asked to return home, so that we can run our own telephone service.

• (4:30 p.m.)

In some respects I consider the private ownership of telephone services in Canada by companies such as Bell almost as bad, and that is saying quite a bit. I think there is an outrageous history of exploitation of the public in this regard. Because private enterprise holds a monopoly it has been able to exploit the public users of telephone services far beyond the point that could be considered reasonable. The profits and financial turnover of Bell are at record highs.

I could go on to talk about many other companies in various industries, Mr. Speaker, but I suspect that you would call me to order. Suffice it to say that I will oppose as vehemently as I can and for as long as necessary any legislation that seeks to place any part of a telephone or communications company's operations into United States ownership.

I say this firstly as a Canadian. It may sound strange for a democratic socialist to talk about a form of nationalism. In my opinion, before you can be a good internationalist you must be master in your own home. You cannot truly be recognized as speaking for the nation or truly be recognized as a nation unless you own the nation.

I cannot see that asking the parliament of this country to adopt measures such as this contributes in any way, shape or form to our nationhood. In fact, to me measures such as this contribute to the betrayal of our nationhood. I hope that other hon. members on all sides of the house will agree with me when I say that this kind of legislation is neither proper nor in the national interest. I hope that never again will any member of the house sponsor legislation in this house which will contribute to the transfer of the ownership of Canadian industry to the United States or any other country. The betrayal of our nationhood has been contributed to in this chamber too many times in the past in previous parliaments. Too often has it been blithely and lightly done without examining the consequences for the future.

[Mr. Benjamin.]

I am not saying that hon. members have done this deliberately, certainly not with any sense of disloyalty to their country. They have conscientiously done what they thought would be, if not in the best interests of the country, at least harmless to the country and at the same time beneficial to one or more enterprises. However, it seems to me that it is high time this sort of thing stopped.

I am afraid that in the future the government, led by the present Prime Minister (Mr. Trudeau), will arrange for this kind of bill not to be brought before the House of Commons, but for the courts or the other place to deal with it. I hope that this never happens, but I am afraid, in view of the battle that members of this group have put up on a number of issues in this particular hour of the business of this house over the past several years, the government will decide to deprive hon. members of the House of Commons of the opportunity of speaking to this kind of legislation.

I think much better use can be made of private members' hour. We could discuss the much more constructive legislation, resolutions and motions introduced by members of the house on all sides which await our consideration. Certainly, I hope no attempt is made to dispense with the introduction of private members' public bills, as I believe they are called, because these bills give private members of all parties the opportunity to bring instances such as this one into public view. As a result, perhaps foreign corporations will refrain a little more than they have up to now from attempting to gain further control of our national wealth and resources and, as a logical result, further control of our country.

I hope that members of other parties will speak out against this sort of nonsense. I know that this bill concerns a fairly minor matter that is pertinent to one particular company, but there are thousands of other bills like it which could be brought to this house, and which when viewed as a total package militate against a fundamental principle of Canadian nationhood. This is why all of us should speak out now.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in reviewing Bill S-12 I went back to *Hansard* for December 3 to see what the sponsor of the bill had to say when he introduced it. I should like to refer to part of what the sponsor of the bill said at that time. He pointed out that the purpose of the bill 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.

The sponsor, in his explanation of the bill, went on to say that the disposal of the undertaking is allowed, subject to the approval of the shareholders and the Canadian Transport Commission. Then, I respectfully suggest that the real crux of the matter, the issue to which I take strong objection, appears in this paragraph, which is reported at page 3404 of *Hansard*:

> We feel that the act passed in 1955 does not clearly grant the comapny the power to sell or dispose of its assets to a company which does not fall within the jurisdiction of the Canadian parliament.

I suggest that those words make this bill itself suspect, no matter which way you look at it. Those words in *Hansard* for December 3 certainly indicate a desire to remove this particular company from the jurisdiction of the Canadian parliament. Therefore, I take issue with those words.

The sponsor of the bill goes on to say:

> —doubts concerning the power to sell or dispose of its assets to a company which does not fall within the jurisdiction of the Canadian parliament would be resolved if the following sentence were added to section 11 of the constitution:

The hon. member then spelled out exactly what he had in mind with regard to this proposed addition to section 11 of the constitution of the Company. It is as follows:

> Such sale or disposal, whether of the whole or any part of the said undertaking, rights and properties, may be so made by the company to any company or person, whether within the legislative authority of the parliament of Canada or not, authorized to carry on a business included within the objects or powers of the company.

Once again, it is my belief that this clearly spells out the purpose and intent of the bill, and indeed of the sponsor who is attempting to put it through parliament at this particular time. The sponsor of the bill suggests that this alteration is being sought to allow the company, which holds a provincial charter, to dispose of its assets to Quebec Telephone Company. Nevertheless, I suggest it is time that hon. members of this house examined bills like this to see exactly what is the ownership structure of companies coming before this house.

• (4:40 p.m.)

To learn something about this company I went to the library. I learned very little there and had to resort to the reports of hearings in the other place. *Hansard* for December 3 also contains some relevant information. What I learned gave me cause for concern, and I do not think this bill ought to obtain too easy passage through this house. From my research I learned that the Bonaventure and Gaspé Telephone Company is actually a wholly owned subsidiary of Quebec Telephone Company and is not the small company serving the relatively small community its name might suggest. To demonstrate the intricacies involved in unravelling the ownership structure behind the company may I read the remarks of an hon. member of the other place as reported on page 3441 of *Hansard* for December 3, 1968:

> It is a matter of establishing clearly the power of The Bonaventure and Gaspé Telephone Company Limited, incorporated by a special act of the Parliament of Canada, to sell its telephone network to Quebec Telephone, a company incorporated in accordance with and subject to the laws of the province of Quebec.

Investigation revealed the further fact that, in the final analysis, the company in question is wholly owned by a United States parent company. Although I do not object to some ownership by our friends to the south of some of our companies, generally speaking I am not in favour of it. As the hon. member for Regina-Lake Centre (Mr. Benjamin) said recently, we must remain masters in our own house and keep enterprises in Canada under Canadian control. We must make sure that the ownership of our utilities remains in Canadian hands and that directors of such companies are Canadians. I am afraid that a number of hon. members here do not care whether control of our companies passes to our friends to the south. We must heed the recommendations of the Watkins report in order to deal intelligently with a number of bills similar to this one that will come before the house.

From my research I learned that Quebec Telephone Company obtained the stock of Bonaventure and Gaspé Telephone Company. Then, in 1955, Bonaventure and Gaspé Telephone Company sought authority from this house to sell its assets, having already sold them two years previously. That action was

highly suspect. It has been suggested that the company wanted to validate what had been done. If so, it acted incorrectly. The company ought to have gone before a committee and made all the facts surrounding the transaction available to members of the committee. If debates on bills like the present one are to be fruitful I think that hon. members of this house ought to know all relevant facts. Clearly, hon. members do not know everything they ought to know about this company.

For instance, it has now been established that the company in question is foreign owned. I maintain that quasi public utilities such as this one ought to be owned and controlled by Canadians. If hon. members are to vote intelligently on bills like this they ought to know whether the company in question is Canadian or foreign owned; because by their votes they will tell Canadians whether they are in favour of foreign or Canadian ownership of our assets.

If we want our utilities to be owned by Canadians we should look carefully at bill S-12. I am frightened by the implications contained in the bill, and I think it would be well for hon. members to know all the facts surrounding this situation before voting either for or against this measure. Even if the bill were to go to committee any witnesses who may testify would say only what they want hon. members to hear. I am sure that much information would not be divulged. As has been said before but not emphasized enough, perhaps, Bonaventure and Gaspé Telephone Company which serves the south shore of the Gaspé peninsula is a subsidiary of Quebec Telephone, which in turn is owned by a foreign company.

• (4:50 p.m.)

Actually, as suggested by my colleague, this is really the first chain of ownership. It indicates that this company is really part of an over-all chain, a part of something with which I believe not too many of us want to be associated. I agree completely with my colleague from Regina-Lake Centre (Mr. Benjamin) that a close look must be taken at everything that comes before us relating to the ownership of these particular companies.

We in this party, believe there are certain things that must be controlled by the public. The public must have a complete say so far as the setting of rates is concerned. I understand that this is the last day for lodging appeals against the increase in telephone rates proposed by the Bell Company. This is a typical example of what will happen if we allow bills such as this to go through unchallenged.

I believe that any company wishing to do business in Canada, and not wholly owned by Canadians, must be rigidly regulated by the enforcement agencies which we have. I would like this bill to be explained further. I believe there are more facts with regard to it that should be considered. I believe hon. members feel something must be done to provide more facts with respect to such bills.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, there is not much time left for debate today on what might appear to be a very innocent looking bill, No. S-12. I have prepared some notes for my contribution and I presume I shall have to leave them aside for some other time because it had been my hope to trace the chain of ownership of this company in some detail.

It has been a shock to me since coming to Ottawa to find that frequently we see a move being made in bills of this type to hand over some of the small remaining portion of Canada to foreign ownership. If there is anything in Canada that should be publicly owned it is those monopolies which are complete monopolies, and the telephone system is one of them.

It is rather amazing to see a member of the government party advocate that we reach into, what should be the public sector of ownership, and turn it over to a foreign nation to control. We, in the New Democratic party, say it is time we called a halt to this. It is time these moves were exposed so that the Canadian people may be made aware of what is happening in this Canada of ours.

This bill tells us that the Bonaventure and Gaspé Telephone Company wishes to sell its assets to the Quebec Telephone Company. That is very innocent. The average citizen would say there is nothing wrong with it. He does not look beyond the first move.

On December 3 last the hon. member for Broadview (Mr. Gilbert) clearly traced the chain of ownership of this company and it led right down into the United States. The chain started with the Quebec Telephone Company, went to the Anglo Canadian Telephone Company and across the border to the General Telephone and Electronics Corporation in the United States. In my frank opinion, this information should have been given to the house by the sponsor of the bill and by the party he represents. Members on the

Liberal side of the house should be taking a stand on this matter.

We want to know whether other private bills will be introduced here to turn over other sections of our communications systems to the big foreign corporations that already dominate and control an alarming percentage of Canadian industry. This is basically the reason members of this party are determined to dig down, get more information, and expose the stupid and foolish trend to have the whole of Canadian industry controlled by people who live outside the borders of our nation.

If we are ever to become a strong nation in control of the destinies of our own people, we must take a close look at the problem of foreign ownership. Certainly Bill S-12 must be looked into very carefully.

The Acting Speaker (Mr. Richard): Order, please.

It being five o'clock this house stands adjourned until Monday next at two o'clock in the afternoon. I hope you all have an enjoyable weekend.

Mr. Knowles (Winnipeg North Centre): The same to you.

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

HOUSE OF COMMONS

Monday, January 20, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

RHODESIA—TABLING OF ORDER IN COUNCIL RESPECTING SANCTIONS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to table in French and English copies of the order in council regarding the application of sanctions to Rhodesia.

COMMONWEALTH CONFERENCE

DISCUSSION RESPECTING LONDON MEETING—DIPLOMATIC EXCHANGE WITH THE VATICAN—RELATIONS WITH THE PRESS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to report briefly to the House of Commons on the Commonwealth Prime Ministers Conference which concluded in London last week.

An hon. Member: Were you there?

Mr. Trudeau: Where the hell were you?

An hon. Member: We weren't invited.

Mr. Trudeau: And you never will be, I may tell you that.

This was the sixteenth of these meetings since world war II. The 28 members of the Commonwealth represented at the conference made it the largest by far of any of the Commonwealth meetings held to date. Twenty-four of the 28 states were represented by heads of government—either prime ministers or presidents—and this, according to the calculation of the chairman, was one of the biggest meetings of heads of government anywhere since the 1945 San Francisco conference.

This is perhaps the greatest strength of the Commonwealth, this opportunity on a regular basis for men of good will to sit down together and discuss one with another the problems which affect them and the 850 million people whom they represent. All the other advantages of the Commonwealth relationship—the exchanges of people, the trading patterns, the economic assistance and co-operation schemes, the informality of diplomatic representation—these all assume their tone from the free and frank dialogue which takes place at the prime ministerial meetings.

It is difficult for me as a newcomer to these meetings to compare this latest conference with those that have preceded it in recent years. My impression is that this meeting was not only successful as Commonwealth meetings go, but significantly so. Indeed this conference may have marked some kind of watershed for the Commonwealth. For one thing the Commonwealth is now close to its maximum size, and future meetings will not note the presence of many new members. For another, the scope of the secretariat seems now to have been defined and its services identified. But most important, and here I rely not simply on my own observations but on the comments of several veteran heads of government, the Commonwealth meeting appears to have attained a new plateau of maturity. Those who anticipated dramatic events at this meeting were incorrect; those who forecast an emotional confrontation over racial issues have been proved wrong. Equally, of course, those who hoped for the emergence of some brilliant answers to vexing questions were disappointed.

What did emerge was a realization by all leaders present that there was great value in open discussion and in an exchange of opinions. It was obvious, for example, that an easy solution for the complex problem of Rhodesia simply did not exist. This being so, no advantage was to be gained from a prolonged and emotionally charged argument alleging breaches of faith or lack of understanding. Instead, the observations and the admonitions of the several Prime Ministers and Presidents were made and recorded and the meeting moved on to the next item on the agenda. I do not mean to leave the impression that the Rhodesian question was not adequately discussed, or that the conference did no more than touch it in passing. Quite the contrary. The case of Rhodesia's African neighbours and those who supported them was argued with great vigour and skill; nothing material was omitted in order to avoid

hurting the feelings of others; there was no hypocritical attempt to pretend they did not exist. The Rhodesian debate was honest and it was tough, yet at its conclusion something of considerable significance occurred.

• (2:10 p.m.)

After looking at the problem in its exact dimensions, after closing in on its many difficulties, men holding opposite views admitted that the true nature of the difficulties was now better understood than before and they noted in some instance, after listening to the comments of others that their rigid attitudes were capable of some modification. Of most importance, however, honourable men agreed honourably to disagree.

There is little headline material in this kind of decision; neither is there much domestic political advantage for individual leaders. But to a world burdened almost beyond endurance by incredibly complex problems of immense moment, an agreement to disagree and to search patiently for solutions and areas of agreement is of immeasurable value. Delegates can walk out of meetings in anger, but they cannot remove with them the underlying cause of their annoyance. Organizations can be broken apart by impatient members, but the act of disintegration contributes nothing to the easing of the original tensions.

The conference revealed in still another way the coming of age of the Commonwealth. For if the African states did not insist that the meeting preoccupy itself exclusively with Rhodesia, neither did the Asian or Caribbean states view the meeting simply as an arena within which to press their own demands for economic assistance. And, in my view, as important as either of these events, none of the white countries attempted to dominate the proceedings on the pretext that their economic development, their political experience or their longer independence gave them any superior wisdom in the solution of new problems. One sensed that at this meeting the participants were equal members; no one pretended to possess all the problems, no one claimed to have all the answers. The 88 contributions to the debates on the five agenda items were remarkably evenly distributed around the conference table.

There is a well known tradition at Commonwealth conferences, Mr. Speaker, which denies to members the right to discuss, without consent, matters affecting the domestic policies of another member, or matters of solely bilateral interest. It is this rule which prevents the meeting being employed as a forum to the particular advantage, or disadvantage, of any single country. It is this rule as well which encourages the participation in general debate of all 28 member states. There is little doubt that in the long run the rule is a wise one. In the short run, it does present a challenge to countries seeking to discuss a problem which, because of its very size, seems to them to be of international, rather than of domestic, implications. At this meeting the Nigerian civil war fell into this category.

The tragedy of Nigeria was mentioned at the conference by Prime Minister Wilson in his opening remarks on the first day. It was the subject of considerable corridor talk and out-of-conference discussions. Though not on the agenda, it was regarded by most delegations—and not least the Nigerian delegation—as of extreme importance.

On Wednesday of last week, at a gathering of heads of government outside of the conference proper, which I attended, the leader of the Nigerian delegation agreed on behalf of his government to enter into fresh talks in London with the rebel representatives, without any pre-conditions to be attached to those talks. He agreed as well that it would be in order for other Commonwealth governments to do what they could to urge the Biafrans to engage in talks on this basis. Before we left London, Canadian officials met with Biafran representatives in an attempt to convince them to do just that. I am deeply disappointed that that attempt was unsuccessful, as were, we understand, the representations of other delegations and of the Secretary General.

I mentioned a few moments ago, Mr. Speaker, that the role and scope of the Commonwealth secretariat were defined with more precision than heretofore, at this conference. The general view as expressed was that the secretariat has an important role to play, but that the Commonwealth should not become over-structured. If I may repeat what I said in London at the conference.

As the Commonwealth grows in number of members it increases in diversity. The common ingredients, which were once the adhesive of membership, are now outnumbered by the unique institutions and practices of so many of the members. Nor, wisely in my view, have any steps been taken to create some artificial adhesive or binder. There is no charter, no constitution, no headquarters building, no flag, no continuing executive framework. Apart from the secretariat, which is a fraction of the size one might expect for an organization which encompasses a quarter of the peoples on this earth, there is nothing about the Commonwealth that one can grasp or point to as evidence of a structure.

Even the use of the word "organization" creates an impression of a framework which is misleading. The Commonwealth is an organism, not an institution—and this fact gives promise not only of continued growth and vitality, but of flexibility as well.

Mr. Horner: Did you say flexibility?

Mr. Trudeau: Yes, flexibility.

If this peculiar characteristic of the Commonwealth offers difficulty, as it seems to do, to historians or journalists or persons from non-Commonwealth countries, it is perhaps unfortunate. But surely this unique source of strength should not be surrendered in the name of conformity to accepted institutional practices. The Commonwealth is not a miniature United Nations Organization; the conference is not a decision making body. To attempt to convert it would simply underscore differences of opinion; it would force countries to take sides and to vote against one another. There exist international organizations where this has to be done and where it is done; the Commonwealth is not and should not become a replica of them.

The Commonwealth provides an opportunity for men of good will to discuss with one another, both in plenary session and in the many bilateral meetings, their problems and their hopes for the future; to learn from the wisdom and experience of others. The Commonwealth conference is a forum for men who are as different as God has made them. It is a meeting place where men are able to demonstrate the advantages of dissimilarity, the richness of diversity, the excitement of variety. Is this not what life is all about, to learn, to share, to benefit, and to come to understand?

I think it is. I think Canadians agree with me, for in our own country we exhibit a multiplicity of character a diversity of climate, of topography, of resources, of customs, of traditions, of peoples, which is a segment of the wide world beyond. We accept almost instinctively the view that of the many challenges offered by the 20th century, none is greater than the aspiration of men to live in societies where tolerance and equality are realities. The Commonwealth is a means toward such a goal. To suggest, as some do, that the Commonwealth must be more than a forum for discussion or a clearing house for economic assistance from the few rich nations to the many poor ones, is to miss the vital point of the exercise.

Is Canada any less strong, and less united in understanding because Canadians and their leaders engage in constant dialogue, because the wealthier provinces accept the principle of tax equalization? I think not.

So too in the broader international community of the Commonwealth. Human inequality is a political fact of great potency. The most effective means of reducing the explosive potential of discrimination is to meet other persons as political equals and to assist them toward economic equality. That is what the Commonwealth does. I believe these are useful exercises. For these reasons, Mr. Speaker, I assured the London conference that Canada firmly supported the Commonwealth principle.

In this brief resumé I have purposely not catalogued many of the matters discussed at the conference for these are dealt with in the communiqué issued at its conclusion and may more conveniently be found therein. I should now like to table the communiqué in English and in French. If hon. members agree, the communiqué might be printed as an appendix to *Hansard,* as has been done on previous occasions.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: For communiqué above referred to, see appendix.*]

[*Translation*]

Mr. Trudeau: At the close of the Commonwealth conference I went to Rome where, after a most cordial interview at the Quirinal Palace with His Excellency the President of the Italian Republic, Mr. Saragat, I was received at the Vatican by Pope Paul VI.

We spoke of peace in the world, the difficulties of maintaining it, for instance in Vietnam and in Nigeria, and of the importance of promoting it more particularly through the respect of human rights and international aid.

In the course of the conversation, I informed the Holy Father that Canada was considering setting up diplomatic relations with the Vatican. The Pope welcomed the idea, stating that the Vatican would be honoured by such relations. But he added that he would leave it to Canada to decide on taking that initiative.

Pope Paul VI spoke very warmly of Canada, the problems and the tremendous possibilities of which he is well acquainted with. Speaking of our fellow-countrymen, the Holy Father said he was convinced, and I quote:

What unites them is stronger and more important than what divides them.

Statement on Commonwealth Conference

And, speaking of the great cause of peace in the world, he added:

> Your country, Mr. Prime Minister, is basically a pacifist country, and we like to think that it will continue, under your leadership, to bring with authority its precious contribution to so vital a cause to the future of humanity.

After this most cordial interview, I also had the pleasure of conversing with the Prime Minister of the Italian Republic, Mr. Mariano Rumor, and several of his ministers.

Together, we reviewed the international situation. We also talked about the relations between Canada and Italy. In this regard, we noted the real progress that has been accomplished in the last few years, and we expressed the hope that this progress will continue.

That, in brief, sums up that day in Rome.

[*English*]

• (2:20 p.m.)

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to begin by saying we all welcome the Prime Minister (Mr. Trudeau) back. We missed him—except I do not think he was ever really very far from sight. I could report to him on the pace of legislative achievement in the house during his absence, but I am sure this would be unnecessary. Undoubtedly he has spent the past week end in his usual blameless way, curled up in front of the fire with a copy of *Votes and Proceedings* before him, and by now he is well informed as to what has transpired here. By now he is up to date, at least in this sense of the phrase. Possibly, even trendy. In any case, I venture to speak on behalf of parliament and the country in saying how pleased we are that the Prime Minister is back safe and well.

I am pleased, too, that he found the conference useful. However, I do feel it necessary to speak quite frankly here on occasions such as this, because I think we must be frank. Parliament and the country have to consider in a very serious way what has transpired in the course of this conference, and I think the country has the impression, as I have the impression, that never in the history of the Commonwealth has Canada made a contribution less important and less useful than has been made by the Government of Canada in connection with this conference. I do not think any leader of the opposition has ever had occasion in the past to reproach the government of this country in any way in this connection, and, if I may say so, I hope it will not be necessary again. None of us in my party—and I think this applies to every informed person in the country—is under any illusion as to the difficulty of arriving at a consensus among members of the Commonwealth at this conference; but there are things which should be said.

The Prime Minister has spoken about the usefulness of this organism, the British Commonwealth of Nations. the Commonwealth exists as a unique world organization—I refer to it as an organization. It is multi-racial, worldwide, embracing, as the Prime Minister said, about a quarter of the population of the world, bringing together both established and emerging nations of varying views and colours. The Commonwealth has helped maintain international order and understanding and has helped to reduce international tension in the past. Any international organism or institution, whatever one might choose to call it, which serves as a bridge between the races on a worldwide basis is surely of great value today. It has a potential for good both in the present and in the future—I am speaking here in terms only of its minimal potential and not in terms of tradition—and to that extent it is well worth using, well worth preserving, well worth strengthening.

Canada, in the past, has played a leading role in that community. I think it is quite clear that other members of the Commonwealth are disappointed in the lack of Canadian leadership last week. It would not be surprising if there had grown among other members of the world community a concern that Canada might similarly abstain from other international responsibilities that she has heretofore assumed.

While we welcome some of the structural improvements in relations between Commonwealth members to which the Prime Minister has referred, we must recognize with regret that these were due to the initiatives of others. There seems little doubt that the negative attitude of Canada in abstaining from the responsibility of leadership has contributed, I fear, to a weakening of the Commonwealth, and I fear a weakening of its importance as an institution or organism in the modern world.

Secondly, I want to acknowledge the truism that Canada cannot be all things to all people. That is one of those truisms to which the Prime Minister subscribes. Let us then choose the policy areas and objectives and methods that we can pursue with the realistic prospect of making a significant contribution. That truism has the corollary that there are some areas in which we are unusually qualified to contribute. The Commonwealth is one area

where we have had a decisive influence in the past.

I am not suggesting that Canada should concentrate exclusively on the Commonwealth role or that we should neglect our responsibilities to the United Nations, to NATO or to any other institution with which we are connected and which is important to world peace. But we do have very significant opportunities to assist in the development of the Francophone communities. The nature of our country enables us to play an important role here. All of these things that are of value not only to us but to international understanding should be explored and pursued.

Our role in the Commonwealth remains of central importance to Canada, not because of historic connections alone but because our service to the Commonwealth in the past has built up a trust and a confidence which it would be wrong to weaken or to waste.

In another forum the Prime Minister has sought to excuse his abstention on the ground that he was a "New boy". He may be a new boy with the Commonwealth, but Canada, sir, is not. In any case I have too much respect for the Prime Minister to find him believable in his self-assumed pose as the innocent abroad.

Canada's failure at the Commonwealth conference—the government's failure on behalf of Canada—has at its root, I think, the same attitude of casual non-involvement and non-commitment that also threatens to become the trademark of the government's response to urgent domestic concerns. At a London press conference the Prime Minister brushed aside suggestions that Canada might have an important role to play in certain mediation efforts, by disclaiming any desire to engage in international heroics or to intervene in the domestic affairs of any nation. I am sure that it was not from any tendency toward heroics that the Prime Minister's predecessor helped bring the Commonwealth through an impasse on Rhodesia on a previous occasion, nor from which the right hon. member for Prince Albert (Mr. Diefenbaker) took the lead in bringing the Commonwealth to its agonizing decision on the South African question. It was, I suggest, at least partly because these questions threatened the existence and integrity, and therefore the usefulness, of the Commonwealth as an institution.

• (2:30 p.m.)

In referring to Nigeria the Prime Minister told us of the assurance the Nigerian federal authorities gave him that they were willing to meet Biafran representatives, without there being any previous conditions. The Prime Minister expressed regret that efforts to encourage the Biafrans to meet with the Nigerians at the negotiating table have proved fruitless to date. I could not help observing from press reports that the day after the Prime Minister announced that Nigerian federal authorities had agreed to hold discussions with the Biafrans without there being any previous conditions, that same proposal was clearly and emphatically withdrawn by a spokesman from the Nigerian government. I, too, am disappointed that the effort to bring Biafra and the Nigerian federal government together has proved fruitless. I hope that what has been done indicates on our part a firm intention to keep lines of communication open so that Canada may, even if belatedly, play a leading role in alleviating starvation and bringing a measure of peace to that unfortunate country.

It is noteworthy that the United States has recently begun to take initiatives in this field. The sale of four aircraft to the churches and the review by the United States State Department of that country's entire policy toward Nigeria offer a small but perceptible glimmer of hope that the civilized world will accept some responsibility in ending the conflict and suffering in Biafra. Canada has been lax in accepting any responsibility there. One hopes that the government will take advantage of any initiatives taken by the United States or other countries.

I do not claim to be an historian, but I suspect it will be said that in the last week or two Canada for the first time failed to exercise leadership in the Commonwealth; that, as a result, the Commonwealth has suffered; that its importance as a modern worldwide institution has been weakened; and that Canada's potential influence in the world is less now than it was a few weeks ago. Certainly as a result of this conference our position has not been enhanced, but diminished. Canadians and the entire international community will regret this. Let me add, the world does not stand still for the government of Canada. Opportunities passed up are opportunities lost for alleviating the anxieties and problems facing the world, as well as for supporting existing institutions. Mr. Speaker, events in the world do not wait for the Prime Minister's programmers.

The Prime Minister referred to his Vatican visit, indicating he favours an exchange of diplomatic representatives with the Vatican.

He said this despite the understanding we were given that this matter is still under review and that the government has not taken a definite decision on it. If the government should decide to exchange diplomatic representatives with the Vatican it will be following a political step taken by many other countries. While not wishing to carp, I am surprised that the Prime Minister has taken this initiative after having some weeks ago expressed doubts, in an offhand way perhaps, about the usefulness of existing methods of diplomacy. Perhaps his was only a passing doubt. The entire country will await with interest the government's decision on the exchange of representatives with the Vatican.

Finally, may I touch briefly on several matters that have caused me concern. I emphasize that the matter of the coverage of the Prime Minister's personal life by the press is a matter between him and the journalists, and is no concern of mine. But for the Prime Minister to suggest, even in a lighthearted way, that it would be possible in this country for the government to use the police in order that a private vendetta might be pursued, would be to joke in inexcusable taste. As it happens, there was nothing lighthearted about the remark, nor the context in which it was made. So, sir, I cannot take that remark lightly and I must tell the Prime Minister in all frankness that I found his remark deeply disturbing.

Mr. David Lewis (York South): Mr. Speaker, I join the Leader of the Opposition in welcoming the Prime Minister home and I tell him that he can be certain that some of the reports to which he apparently took objection did not in any way affect the reputation he has across this country.

Some hon. Members: Oh, oh.

Mr. Lewis: He remains the object of pristine purity now, just as he was when he left for London—no more and no less.

I wish it were possible to welcome the Prime Minister's contribution in London, but I am afraid that is not possible. In fact, it is not easy to know what Canada's contribution at the meeting of Commonwealth prime ministers was. I regret to add that after the Prime Minister's lengthy and not very exciting lecture this afternoon about the Commonwealth, we are still in the dark as to precisely where he stood on what issue, and for what reason.

Some hon. Members: Hear, hear.

[Mr. Stanfield.]

Mr. Lewis: I should like to remind the Prime Minister that the question of Commonwealth structure and the desirability of keeping that structure informal was discussed many years ago. There are a good many people in this country, and in this house, who are fully aware that there was general objection to any kind of formal structure to the Commonwealth, and that there was some difficulty even about setting up the Commonwealth secretariat. Therefore the Prime Minister's lecture about the details of this informality this afternoon were both unnecessary and unrevealing. I should have been much more interested in a statement about the relevant issues that plague many Commonwealth members, as well as his statement on where he stands on those issues and what he said about them. It appears that Canada's participation at the recent conference amounts to one big zero.

An hon. Member: A flop.

Mr. Lewis: I happen to be one who was and still is strongly opposed to imperialism. Over the years I have frequently been critical of the activities of the British empire, just as I have criticized other empires. Partly for that reason I, and people sharing my opinions in Canada, Britain and elsewhere, welcomed the emergence of the Commonwealth, because it was an association of free and equal states representing all continents and all races. I spoke about this when we discussed this matter in the house before the Prime Minister left for London.

I was proud of the British government which, under Prime Minister Attlee, immediately after the war embarked on the road to freeing British colonial possessions.

• (2:40 p.m.)

Despite the declaration of a great statesman, a declaration many hon. members will recall, that he was not prepared to preside over the liquidation of the empire the fact is that the British Empire was liquidated. The fact is that a large number of the now free and independent members of the United Nations gained their freedom and independence by action of successive British governments after decades, and in some cases centuries, of struggle.

These new countries gained their independence without the kind of war and destruction which occurred in Indo-China and elsewhere. This is a matter of great pride to all of us associated in the British Commonwealth, and is the important historic development which

produced the Commonwealth, and is the important historic development which produced the Commonwealth and made it a useful instrument in the international world.

It has always seemed to me, and it seems to me now, that an informal association of this sort could, if employed imaginatively, make an important contribution toward progress in the relationships between the developed and the developing nations, and in the relations of peoples of different races and colours. I say to you, Mr. Speaker, it is obvious that such an informal association can achieve meaningful results only if it is prepared to confront the real gut issues haunting the new world and members of the Commonwealth.

One of the overriding international facts since the end of the second world war is the challenge to the exclusiveness and complacency of the white club which had previously dominated all international relationships and all international policies.

The new developing nations are still weak and poor economically. They are still uncertain politically, but increasingly they are developing a sense of self-assurance and participation, and are demanding an equal place. In this context a meaningful and frank dialogue, to use the Prime Minister's favourite word, among the heads of the members of the Commonwealth can be of immense value; but as far as our part in the discussions in London was concerned, our part in the dialogue, it was neither meaningful nor frank.

These are the reasons I feel a deep disappointment about the Prime Minister's role at the conference, as that of a non-spokesman. It is again necessary to recall Canada's particular opportunities in this field. From all our contacts and all our reading we know Canada has a special place of trust among the developing nations. We emerged as an independent nation almost a century before them, but we also emerged out of colonial status. We have never an imperial goal or imperialistic intentions. This has given us a special position which we can either use to promote good will, or which we can dissipate by appearing to be insensitive to the problems which worry the new members of the Commonwealth.

I say, Mr. Speaker, that the right hon. member for Prince Albert (Mr. Diefenbaker), when he was prime minister used Canada's position properly and admirably in the case of South Africa.

Some hon. Members: Hear, hear.

Mr. Lewis: I remind this House of Commons that the right hon. Mr. Pearson used Canada's special position properly and admirably when he represented Canada at the meetings of the prime ministers of the Commonwealth. Through those actions Canada gained stature in the Commonwealth and credit throughout the new world. It is a great pity that the present Prime Minister, who raised so much hope, produced so much disappointment, and played no part of consequence, relevance or importance in the debates which took place.

He was reported to have said that he wished the conference to deal with the problems of the future and give less concern to the difficult problems of the past and the present. May I say, I hope without sounding too unkind, that I have seldom heard or read such a fatuous statement, unworthy of a man of intellect—as if the future descends from heaven in a vacuum unaffected by the past, as if indeed it is possible to think of building a future without removing the ills and the ill will created by the past and persisting into the present.

This attitude of uncommitted dilettantism explains the absence of the kind of commitment to first principles which is essential in dealing with such primeval problems as human equality, with which many sections of the Commonwealth are concerned.

I am not for one moment suggesting that solutions were easy or even that the meeting of Commonwealth prime ministers could have produced them, particularly in view of the informality and the structure of the Commonwealth. But I am saying that a position on Rhodesia which says "Nibmar if possible but not necessarily Nibmar" is a betrayal of first principles and cannot but do damage to the future of the Commonwealth.

If the struggle for equality in Rhodesia should be lost temporarily—if that should happen—at the least let us not be a party to giving Smith the appearance of legality, by supporting a deal which negates solemn assurances previously given by the British Prime

Minister and the British government. This seems to me another disastrous application of the theory of quiet diplomacy, another example of irritating ambiguity which makes no one happy except the person who is determined to avoid forthright commitment.

I do not want to take longer than I have, Mr. Speaker, although all of the comments have been rather lengthy today, I feel the same way as the Leader of the Opposition (Mr. Stanfield) does about Nigeria—Biafra. I notice that the Prime Minister in reporting on that point today told us merely about the first undertaking of the Nigerian delegation in London to meet with the Biafrans without pre-conditions, but I presume because he has not yet been brought up to date he failed at the same time to remind the house that the leader of the Nigerian delegation in London had stated the next day that he would not meet with Biafrans to discuss any ceasefire, that he would only meet with them to demand their surrender. That was hardly a readiness to meet with the Biafrans without pre-conditions. I also echo the hope that the Prime Minister will pursue a little more actively than in the past the objective of peace in Biafra-Nigeria.

I believe in the potentialities of the Commonwealth precisely because it is informal, precisely because it reverses the attitude of the empire, precisely because it does represent so many parts of the world. But if the Commonwealth conferences in the future are treated by a leading government like that of Canada in the same innocuous and irrelevant way as was instanced in the last one, then I suggest to you that association in the Commonwealth will become meaningless and frustrating for many of its members; and I remind the Prime Minister and other hon. members that nothing leads faster to alienation and disruption than does frustration. I therefore hope our attitude will change in the future.

Finally, Mr. Speaker, may I say a word about the Prime Minister's report on his visit to Rome. I am sorry to have to carp about this without even expressing the hope that I don't sound carping. The Prime Minister and the Secretary of State for External Affairs (Mr. Sharp) have made a great deal out of the fact that they seek to involve the people of

Canada in the review of international policies, and yet here is a very important step, an important step in terms of the Canadian community, and without any warning to the people of Canada, or indeed to members of this house. Without anything but indirect warning, apparently a decision is made and the Prime Minister goes to Rome and says we are anxious to establish diplomatic relations with the Vatican.

It may be a very good idea; but I say to you, Mr. Speaker, that one of the reasons the Prime Minister is reported as having given for that step is certainly the worst possible reason one could present. The Prime Minister was reported to have said that just as we are interested in other French speaking countries, because we have a large number of French speaking people in Canada, so we are interested in some relations with the Vatican because we have a large number of Roman Catholics in Canada. I cannot think of a more irrelevant reason for taking an important international step. If it is useful to have diplomatic relations with the Vatican—as it well may be, because the Vatican is a good listening post and provides us with a good international association of value to Canada in our role in the world—then by all means let us have it, but not on the basis of religious division in Canada or across the world.

• (2:50 p.m.)

The Prime Minister was certainly in one of his less cautious moods when he made that statement, although I am not sure his caution makes me feel happy about the future of my country. Finally I say it is still not too late to have an involvement in this matter, to have participation, certainly by members of this parliament. I am beginning to suspect that the Prime Minister's talk about participation really amounts to an opportunity being presented to him to explain his position rather than a two-way participation; but it is still not too late.

In order to avoid the kind of divisive results which have plagued the unity of our country for so long in various ways, and in order that the step of establishing diplomatic relations with the Vatican may be made on the correct basis without divisive repercussions in Canada, I appeal to the Prime Minis-

ter and the Secretary of State for External Affairs (Mr. Sharp) to refer this matter to the external affairs committee of this House of Commons for the purpose of study, and hearing from the minister and officials of the department the uniting international reasons that make this representation necessary.

Mr. Speaker, I close the way I started. I welcome the Prime Minister home. With many others in this house and across the country, I am deeply disappointed about his non-representation at the conference so far as Canada is concerned.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I will not repeat the remarks, very accurate for the most part, of the Leader of the Opposition (Mr. Stanfield), as well as those of the leader of the New Democratic party (Mr. Lewis). Allow me, however, to express our views on that recent journey.

First, the London reporters were disappointed with the Prime Minister (Mr. Trudeau) as we all have been since last June 25. Nevertheless, I congratulate the Prime Minister for being aware of it, since he said, in his opening remarks, that there had been disappointment. Of course, we have been disappointed, but why? Canada would have been proud to see the Prime Minister assert himself as one of the leaders of the 24 heads of government who gathered in London, in order to meet the aspirations of all those people and justify the trust put in him.

But the reaction was entirely different.

It is true that nobody expected that concrete solutions would come out of this conference, but neither was it expected—nor hoped for—that his sliding down banisters, his escapades and his sensational doings would be the main topics discussed about his participation to the conference. This is unfortunate, and one does not know whether to laugh or cry. That is the reaction in our areas. In fact, that is the actual thinking of the people, who are of course awfully disappointed.

The Prime Minister seems to have linked together recognizing both the Vatican and Communist China. In Quebec particularly, people have made the connection. His visit to the Vatican seemed to be one way of making the recognition of China easier to accept.

Of course, we are in favour of the establishment of diplomatic relations with the Vatican, and we have been for years. When I was still a child, members of Parliament were already advocating it in the house. If finally that takes place in 1969, it would be a very normal thing, in my opinion; the Prime Minister could then be commended for it. But if it is a political play to make something else more palatable, such means is, to my mind, somewhat despicable.

Of all the Prime Minister's escapades, I would like to recall the one which impressed me the most, and which was told to me by some government members. We sympathize with the few Liberal members who were given a good beating by the Prime Minister in London itself. We are wondering—and some pointed it out to me—who are the members concerned? We are anxious to hear from the Prime Minister the names of those "undesirables", as he said. According to him, undesirable people found their way into the Liberal party at the time of the election and he added, very candidly, that fortunately, most of them had not been elected. By using the expression "most of them", he meant undoubtedly that some of them were elected.

Therefore we sympathize with those unfortunate members who not only have a sword of Damocles hanging over their head but who are wondering whether they are among that group of undesirables or, more precisely, "bums", as the newspapers reported, and which could be translated freely in French by the word "undesirables". For all these reasons, I sympathize with the Liberals.

Many questions are cropping up after this conference. However, we are happy about the return of the Prime Minister because the way things were going, we were wondering how low the reputation of Canada would sink.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PAYMENTS UNDER MUNICIPAL GRANTS ACT

Question No. 418—**Mr. Fortin:**

1. For each of the last five years, what were, by province, the amounts paid under the Municipal Grants Act, R.S.C., 1952, c. 182?

2. Has the government issued instructions concerning the payment of municipal and school taxes by Crown corporations and, if so (a) on what date (b) what is the nature of such instructions?

Questions

Hon. E. J. Benson (Minister of Finance): 1. Payments under the Municipal Grants Act, R.S.C., 1952, c. 182, as amended, by province during the years 1963-64 to 1967-68 were as follows:

Province	Amount of Payment (Dollars)				
	1963-64	1964-65	1965-66	1966-67	1967-68
Newfoundland	162,169	76,200	394,332	220,241	209,983
Prince Edward Island	129,573	120,887	171,644	155,377	159,442
Nova Scotia	3,628,011	2,582,672	2,982,208	2,855,309	2,837,334
New Brunswick	779,926	1,573,086	1,254,949	963,472	363,072
Quebec	4,605,709	7,491,881	7,008,359	7,354,395	8,095,850
Ontario	14,441,308	15,452,445	16,814,122	17,452,941	19,337,426
Manitoba	1,882,411	2,259,318	1,980,941	2,014,545	2,541,837
Saskatchewan	943,960	1,005,386	1,151,816	1,164,104	1,218,501
Alberta	2,050,474	2,162,148	1,908,909	2,207,699	2,230,721
British Columbia	2,743,088	2,704,449	2,779,417	3,006,950	3,223,802
Total	31,366,629	35,428,472	36,446,697	37,395,033	40,217,968

2, (a) and (b). Policy statements of a general nature have been given on two occasions as follows: In a statement to Parliament on November 14, 1949 the Minister of Finance explained a new government proposal for the payment of grants in lieu of municipal taxes on properties of federal departments. He also indicated that the federal government would, if Parliament approved the new grant policy for municipalities, authorize its Crown corporations to work out fair and equitable arrangements with the municipalities in which their properties were situated.

On May 15, 1967, following a review by Cabinet of Crown corporation practice concerning grants in lieu of real property taxes, Ministers responsible for Crown corporations were advised of general policies to be followed in respect of such grants. These policies were that Crown corporations should pay full grants in lieu of real property taxes on property which they owned and occupied in respect of municipal fiscal years commencing after December 31, 1968 if they were not already doing so. It was noted that Crown corporations should exercise their own discretion concerning the meaning of full grants in lieu of taxes, but that they should pay in respect of real property tax on a basis generally not less favourable than that provided in the Municipal Grants Act concerning payments on departmental properties and that they should pay in full in respect of local improvement and frontage charges wherever the services financed by such charges brought significant benefit to their properties.

[Mr. Fortin.]

In addition to the foregoing, the government has formulated specific policies concerning grants by particular Crown corporations. For example the National Harbours Board was authorized in 1967 to increase the scale of its grants from a 1965 basis of 50 per cent of the formula contained in the Municipal Grants Act to 62½ per cent for 1966, 75 per cent for 1967, 87½ per cent for 1968 and 100 per cent for 1969 and subsequent years. With respect to government owned railways entrusted to the Canadian National Railways for management, the policy now in effect developed from an undertaking to Parliament by the Minister of Transport on September 8, 1966 in connection with the debate on the motion for second reading of Bill C-231, the National Transportation Act. The Company now pays grants in lieu of normal real property taxes, local improvement charges, business taxes and license fees imposed in lieu of business taxes, subject to certain limitations. Grants in lieu of taxes are not paid in respect of personal or movable property or in respect of property which would be excluded under Section 2(c)(iii) of the Municipal Grants Act such as tunnels, bridges, pole lines and trackage. Local improvement charge grants are not paid in respect of work bringing no significant benefit to Railway property. Business tax grants are subject to a general limitation that the rates and bases used in calculating the grants are not to be such as to discriminate against the Railway either in respect of competing forms of transportation or in respect of business generally.

Other instructions of this nature may be expected in the future as a result of a continuing review of the application of grant policy to particular Crown corporations and to particular circumstances.

TORONTO—ACQUISITION OF ADDITIONAL LANDS FOR AIRPORT

Question No. 673—**Mr. Robinson:**

1. What is the government policy in acquiring additional lands to increase the size of Toronto International Airport?

2. Are real estate appraisers and other officials of the Real Estate Branch of the Department of Transport presently negotiating to acquire additional lands for the expansion of Toronto International Airport and are they empowered to negotiate in good faith and can the parties with whom they are negotiating rely on their authority to do so on behalf of the Department of Transport and, if not, will the Department of Transport advise to what extent it will support the negotiations enumerated by the Department of Transport real estate officials with owners of real estate presently required for Toronto International Airport expansion?

3. What formula is in effect or is contemplated by the government in determining the value to be placed on acreage required for the expansion of the Toronto International Airport (a) immediately adjacent to the present airport (b) building on lands adjacent to present airport (c) business disruption and/or business loss allowance (d) moving costs (e) appraisal, legal and other costs (f) real estate commissions and/or allowances (g) long and short term lease arrangements?

4. What is the time plan proposed by the government to acquire lands for immediate needs at Toronto International Airport?

5. What are the priorities of construction for the expansion of (a) the present runways (b) the proposed new runways on existing lands (c) the proposed new runways on lands to be acquired?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. There are presently no plans to acquire land for expansion of Toronto International Airport.

3 and 4. Not applicable in view of answer to parts 1 and 2.

5. (a) Existing runway 05L-23R to be lengthened from 5700 ft. to 10,500 ft. starting in 1969 for completion in 1971. (b) and (c) Not applicable.

PONTIAC, QUE.—LABOUR RETRAINING

Question No. 714—**Mr. Lefebvre:**

1. How many persons were accepted in the labour retraining courses in Quebec and in the constituency of Pontiac?

2. How many persons completed an application form and were refused in Quebec and in the constituency of Pontiac?

3. What was the total amount paid to the said persons in Quebec and in the constituency of Pontiac?

4. (a) How many schools in Quebec were used for the said courses and what was the total amount paid for rent (b) what are the names of the schools and places where such courses are given in Pontiac and what was the total amount of rent paid to each of the said schools?

5. (a) What are the teachers' salaries in Quebec for teaching these courses (b) what salaries were paid to the teachers in Pontiac?

6. (a) What other expenses were incurred in detail in Quebec (b) what other expenses were incurred in detail in Pontiac?

7. What courses were offered to the public in (a) Quebec (b) Pontiac, and how many men and women participated?

8. How many of such persons (a) in Quebec (b) in Pontiac, were under 20 years of age, 20 to 25 years of age, 25 to 30 years of age, 30 to 35 years of age, 35 to 40 years of age, 40 to 45 years of age, 45 years and over?

9. What is the percentage of persons who completed their courses and found a job in line with the course they took (a) in Quebec (b) in Pontiac?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Number of persons on courses under OTA during the fiscal year 1967-68: Quebec, 41,277; Pontiac, 39.

2. This information is not available since clients do not complete application forms. Authorization for training is made by a manpower counsellor based upon a counselling interview during which individual training needs are assessed in relation to the needs of the labour market.

3. During the 1967-68 fiscal year, payments were as follows:

Quebec	
Training Costs	Allowances
$15,171,000	$12,171,000
Pontiac	
$21,300	$40,040

4. (a) During the fiscal year 1967-68 training was given in 334 centres in Quebec. The Department of Manpower and Immigration buys places in courses from the Department of Education and the Department of Labour. Course costs may include rent but the amount paid for rent is not separately identified in Departmental records. (b) No courses were organized in Pontiac during the 1967-68 fiscal year; trainees were sent to training centres elsewhere. Our records on course costs do not include details of individual cost grants.

5. While teachers' salaries are included as a component of the cost which the Department will pay to the province, our records do not separately identify the amounts.

6. In calculating the cost of courses, the following costs may be included: salaries and other benefits for instructors, supervisors, administrators, and support staff; materials, tools, supplies and teaching aids; rental of space and equipment; travel of instructors and teachers; maintenance, repair and minor renovations; cost of providing power, gas and water and other services; interest on loans raised for the purpose of providing facilities; depreciation; residences; and provincial administrative costs. Details of the amount paid for each cost component are not separately identified in our records.

7. Courses offered to the public were as follows: (a) In Quebec, Basic educational upgrading—Grades 7 to 11; skilled development courses in 65 trades and occupations; language courses for immigrants; apprenticeship courses in some 30 trades; and upgrading courses in agriculture. (b) In Pontiac, Manpower clients from the constituency of Pontiac were sent to other centres for training on trainee travel grants. Of the 39 trainees, 26 were enrolled in meat-cutting and heavy equipment operator training courses. Of the 41,277 trainees in Quebec, 32,733 were males. Of the 39 trainees from Pontiac constituency, 38 were males.

8. The distribution of trainees by age is as follows:

	Quebec	Pontiac
19 years and under	7.8%	0%
20 to 24 years	30.0%	18%
25 to 44 years	46.5%	82%
45 years and over	10.8%	0%
Age not reported	4.9%	0%

9. The large majority of Quebec clients of Canada Manpower Centres receiving training in the 1967-68 fiscal year entered classes during the winter season. The time lapse since their re-entry into the labour market is of such short duration that accurate details on their improved employability as a result of their training are not available yet. Departmental studies to determine the degree of this increased employability are underway.

[*English*]

COLLECTION OF PROVINCIAL INCOME TAX

Question No. 739—**Mr. Gauthier:**

1. At the federal provincial conference, held on November 4 and 5, 1968, did the federal government obtain permission from the provinces to collect their income taxes for a period of 5 years?

2. What is the date of the first agreement, did the Province of Quebec agree to it and what was the intended duration of this agreement?

[Mr. MacEachen.]

3. Were there other requests for extensions and, if so (a) on what dates (b) did the Province of Quebec always agree?

4. What percentage of these taxes has Quebec recovered since ratification by the provinces of this agreement (a) on succession duties (b) on corporate income (c) on individual income?

Hon. E. J. Benson (Minister of Finance): 1. Those provinces that were parties to the existing tax collection agreements indicated their intention to enter into an amending agreement to extend the collection arrangements for an indefinite period subject to termination by Canada or a province on due notice being given.

2. The first agreements were for a period of five years with effect from January 1, 1962. Quebec did not enter into such an agreement.

3. The agreements were renewed for a further period of two years with effect from January 1, 1967. Quebec did not enter into an agreement.

4. The tax collection agreements do not cover succession duties. The agreements cover the collection of taxes on individual incomes and on corporation incomes.

Quebec has collected her own individual and corporation income taxes at rates determined by that province. During the years covered by the tax collection agreements and to facilitate the provinces imposing their own taxes, the Government of Canada has, since 1961, abated: (a) its individual income tax payable by the following percentage points for the years specified:

	In Quebec	In other provinces
1962	16	16
1963	17	17
1964	18	18
1965	44	21
1966	47	24
1967 and subsequent years	50	28

(b) its corporation income tax rate by the following per cents for the years specified:

	In Quebec	In other provinces
1962-66	10	9
1967 and subsequent years	10	10

The larger abatements to Quebec were associated with contracting out arrangements. The larger abatement in the individual income tax field was associated with youth allowances and the shared cost programs specified

in Schedule I of the Established Programs (Interim Arrangements) Act. The larger abatement in the corporation income tax field was associated with the grants to universities.

While there are no tax collection agreements with respect to succession duties, the Government of Canada has abated the federal estate tax in provinces that imposed succession duties by 50 per cent up to March 31, 1964, and by 75 per cent subsequent to that date. If a province did not wish to raise its own taxes to take advantage of the increased federal abatement effective April 1, 1964, the Government of Canada offered to make a cash transfer equivalent to the value to the province of the 25 per cent increased abatement. Quebec did not choose to increase its succession duties. In consequence, the federal estate tax has continued to be abated by 50 per cent in that province and, in addition, a cash transfer equivalent to the value of the additional 25 per cent has been paid to Quebec.

CANADIAN BOX CARS ON U.S. RAILWAYS

Question No. 837—**Mr. Diefenbaker:**

How many boxcars of (a) Canadian National Railways (b) Canadian Pacific Railway were in the United States on September 1, 1968, October 1, 1968, November 1, 1968, and November 21, 1968 respectively?

Hon. Paul Hellyer (Minister of Transport): Canadian National Railways:

	Box Cars in United States	Number of such Cars suitable for Grain Loading
September 1, 1968	9,783	3,266
October 1, 1968	10,138	3,688
November 1, 1968	11,184	4,730
November 16, 1968	11,573	4,760
Canadian Pacific Railway:		
September 1, 1968	5,598	*20%
October 1, 1968	6,681	20%
November 1, 1968	7,722	20%
November 21, 1968	8,110	20%

*Canadian Pacific unable to produce such a figure from their records. 20 per cent is an educated guess of the average number of C.P. box cars on U.S. lines suitable for grain loading.

APPOINTMENT OF AIR CANADA OFFICIALS

Question No. 905—**Mr. Diefenbaker:**

Was the Board of Directors of Air Canada acting on the recommendation of the government in the appointment of (a) the President (b) the Chairman of the Board, of the Corporation?

Hon. Paul Hellyer (Minister of Transport): The appointments were made by the Board of Directors following liaison and discussion with the government as the ultimate shareholder pursuant to normal corporate practice.

DEPARTMENT OF AGRICULTURE
PRESS RELEASES

Question No. 934—**Mr. Howard (Skeena):**

1. Does the Department of Agriculture 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. H. A. Olson (Minister of Agriculture): 1. In the period July 1, 1968 to December 3, 1968, the Information Division, Department of Agriculture released: Fifty-five individual press releases and twenty-two editions of the weekly bulletin "NEWS from the Canada Department of Agriculture". Each issue of "NEWS" contains from four to eight articles.

2. (a) $500; (b) No stencils were used—offset duplication used instead; (c) $7,650; (d) $4,240; (e) $625.

3. (a) 20 lb. No. 7 White Bond; (b) 1,500,000 sheets—$3,750.

4. 870 man hours.

CANADA SAVINGS BONDS SALES

Question No. 937—**Mr. MacLean:**

1. What was the aggregate value of sales of the 1968 series of Canada Savings Bonds up to November 15, 1968?

2. What was the aggregate value of the 1968 series of Canada Savings Bonds purchased with (a) "new money" (b) by the cashing of bonds of other issues?

3. What was the cost to the government of selling the 1968 series of Canada Savings Bonds for (a) advertising (b) commissions (c) other costs?

Questions

4. What will be the aggregate interest payable per annum on the 1968 series of Canada Savings Bonds?

5. What is the aggregate increase in interest charges to be paid in the current year on debt converted from previous bond issues to the 1968 Canada Savings Bond issue?

Hon. E. J. Benson (Minister of Finance): 1. Up to November 30th, sales of 1968/69 Series Canada Savings Bonds amounted to $3,219 million par value.

2. It is not possible to establish accurately the extent to which outstanding issues of Canada Savings Bonds were directly converted into the new issue. However, November redemptions of Canada Savings Bonds (for all purposes) on a preliminary basis, were $2,278 million par value.

3. (a) $1,617,000 (Preliminary); (b) $28,672,000 inclusive of issuing fees (Preliminary); (c) $1,125,000 (Preliminary).

4. Interest is payable on the 1968/69 Series Canada Savings Bonds at the rate of 5¾ per cent for the first year, 6½ per cent for the second year, 6¾ per cent for the third, fourth and fifth years and 7 per cent for the remaining nine years. If the amount outstanding on November 1, 1969 were as in (1), the interest which would be payable would be $185,380,000.

5. The answer to this question depends on the extent to which outstanding issues of Canada Savings Bonds were directly converted into the new issue. As indicated in question 2, this information is not available.

FINANCIAL AID ON SENIOR CITIZENS HOUSING

Question No. 941—**Mr. Robinson:**

Is the federal government contemplating any direct financial aid to municipalities to offset the capital cost of (a) senior citizens housing (b) facilities (c) equipment?

Hon. Paul Hellyer (Minister of Transport): I am informed by the Central Mortgage and Housing Corporation as follows: At the present time the federal government, subject to action that may result from the report of the task force on Housing and Urban Development, is not contemplating any additional direct financial aid to municipalities to offset the capital cost of (a) senior citizens housing (b) facilities and (c) equipment to that already available under Sections 16A, 35A, 35D and 35E of the Natinal Housing Act, as outlined below.

[Mr. MacLean.]

(a) (1) Under Section 16A, Central Mortgage and Housing Corporation may make a loan to a public or a private non-profit corporation of up to 90% of the lending value for a period not exceeding 50 years to assist in the construction or acquisition of a housing project or housing accommodation of the hostel type for rental to families or individuals of low income including senior citizens.

(2) Under Section 35A, the Corporation may undertake jointly with the province the construction or the acquisition of a public housing project or housing accommodation of the hostel type for rental to families and individuals with low income including senior citizens. The federal share of the capital cost and operating losses or profits may not exceed 75 per cent of such capital cost, operating losses or profits (operating expenses include amortization of the capital cost). The remaining 25 per cent is borne by the province or shared in such proportions as may be agreed upon between the province and the municipality.

(3) Under Sections 35D and 35E, the Corporation may make a long term loan and contributions to operating losses to a province, municipality or public housing agency wholly owned by a province or a municipality for the construction or acquisition and operation of a public housing project or housing accommodation of the hostel type for rental to families and individuals of low income including senior citizens. A loan may be up to 90 per cent of the cost of the project, contribution to operating losses may be in an amount not exceeding 50 per cent of these operating losses (operating expenses include the amortization of capital cost).

(b) With regard to financial assistance for "facilities" in housing projects financed under (a) above, a "housing project" is defined as a project, together with the land upon which it is situated, consisting of one or more houses, or one or more multiple-family dwellings or a combination of houses and multiple-family dwellings, together with any public space, recreational facilities, commercial space and other buildings appropriate to the project.

(c) With regard to financial assistance for "equipment" in projects financed under (a) above, the lending value or capital costs for hostel accommodation may include the hard furnishings reasonably required to make a project operable. This would include in addition to built-in equipment, such moveable items as bedroom, lounge and cafeteria equipment as well as sofas, beds, desks, tables and chairs.

VOCATIONAL TRAINING EXPENDITURES

Question No. 953—**Mr. Caouette:**

1. Since the Technical and Vocational Training Assistance Act was proclaimed, how much has the government spent, by province (a) in capital expenditures (b) for the vocational training of unemployed workers (c) for the vocational training of secondary school students (d) for the training of technicians in technological institutes (e) for the training of teachers and instructors (f) for the training of apprentices (g) for the training of persons past school age (h) for research programs?

2. Has the government received one or more requests for an extension of these agreements from the Government of Quebec and, if so, when and what was the government's reply?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Table attached—Information on training of persons past school age is not available.

2. No.

1. FEDERAL GOVERNMENT SPENDING UNDER THE TECHNICAL AND VOCATIONAL TRAINING ASSISTANT ACT
1961–1968

	(a) Capital Grants[1]		(b)	(c)	(d)	(e)	(f)	(h)
	Allotment at $800 Per Capita	Claims Paid to Nov. 30, 1968	Training of Unemployed Workers (Program 5)	Vocational High School Training (Program 1)[2]	Technician Training (Program 2)[2]	Vocational Teacher Training (Program 7)[2]	Apprentice-ship Training[1]	Training Research[1]
	$	$	$	$	$	$	$	$
Newfoundland	35,063,180	22,358,946	8,166,342	42,758	207,669	91,979	4,958,867	—
Prince Edward Island	7,100,000	2,725,196	1,413,801	221,710	—	7,016	348,635	—
Nova Scotia	51,391,180	24,962,826	8,769,138	875,157	104,017	48,865	3,809,170	13,849
New Brunswick	42,811,180	9,499,178	2,865,095	767,885	425,651	251,767	5,392,450	10,785
Quebec	373,940,720	213,100,398	47,571,792	2,691,000	21,498,423	477,460	23,661,240	132,756
Ontario	349,506,360	316,165,512	83,289,821	4,872,434	6,009,177	802,211	14,100,732	260,258
Manitoba	56,646,360	19,949,295	10,769,034	939,339	532,582	99,730	1,763,561	—
Saskatchewan	58,291,180	26,756,370	6,088,278	987,580	1,325,653	45,486	3,713,991	—
Alberta	79,203,180	73,829,345	5,846,591	1,246,549	3,073,305	989,159	14,738,900	2,778
British Columbia	90,122,360	51,054,755	5,372,785	1,382,601	2,308,213	117,578	8,939,757	750
Northwest Territories	1,359,180	70,444	44,039	462	27,073	1,183	167,479	—
Yukon Territory	962,926	957,820	522,489	74,775	—	19,381	308,265	—
Canada	1,146,397,806	761,430,085	180,719,205	14,102,250	35,511,763	2,951,815	81,903,047	421,176

[1]Based on cost-sharing arrangements, the flow of federal expenditures depending on claims from the provinces.

[2]Expenditures for 1967–68 not included because the breakdown by program is not available.

[3]Includes Program 3 (trade and occupational training) and apprenticeship training.

[4]Program started in 1965–66.

Department of Manpower and Immigration
December 17, 1968

[*English*]

LAY DISPENSERS IN INDIAN OR ESKIMO COMMUNITIES

Question No. 956—**Mr. Chappell:**

1. How many lay dispensers (persons without a degree or diploma in pharmaceutical training) serve Indian or Eskimo communities on a full time or part time basis?

2. How many of these lay dispensers have wire or wireless communication facilities with the "outside" and through these facilities prompt contact with a doctor, nurse or graduate pharmacist?

3. Do any lay dispensers dispense drugs requiring a prescription and, if so, how many?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1.

	Registered Nurses	Lay Dispensers	Total
Eskimo Communities	10	17	27
Indian Communities	10	77	87

These serve as required subject to the demands of their normal occupations.

2. All except 11 are reported to have radio, radio telephone or land line telephone available for their use in the community. The individual problems of each of the eleven exceptions are under investigation in an means of improving the existing communiattempt to determine the feasibility and means of improving the existing communications situation.

3. Lay dispensers do not compound prescriptions but all distribute previously compounded or prepared preparations on the orders of doctors and nurses. All may distribute common or household remedies such as would be in a family medical pack or family medicine cabinet.

[*English*]

COMMENTS ON C.B.C. NETWORK PROGRAMS

Question No. 958—**Mr. Forrestall:**

1. Do CBC Network Radio and Television Stations keep a record of letters, telegrams and telephone calls commenting on programs?

2. Are these records tabulated in any way, for national as well as local programs?

3. If not, for what reason?

4. If so, to whom are these tabulations available?

5. Will the CBC make such tabulations and records available to Members of Parliament if requested to do so?

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1. Yes.

2. Yes.

3. Not applicable.

4. To the appropriate network and local programming and executive officers of the CBC.

5. As in the past, CBC will provide to Parliament, when requested, tabulations of audience mail, telegrams and telephone calls received in response to specific programs.

CANADIAN OIL RESERVES

Question No. 962—**Mr. Harding:** (supplementary)

1. What were Canada's estimated oil reserves for the years 1961 to 1967 inclusive in terms of (a) barrels (b) number of years' supply?

2. For the years 1961 to 1967 inclusive, how many barrels of oil were (a) produced in Canada (b) imported (c) consumed in Canada (d) exported?

3. For the years 1961 to 1967 inclusive, what percentage of possible maximum capacity was produced by Canada's oil industry?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1 and 3. See *Hansard* January 15.

2.

TABLE II

Crude Oil and Equivalents

	1961	1962	1963	1964	1965	1966	1967
(a) Produced in Canada (bbls).....	229,536,932	261,730,553	279,385,373	229,904,372	319,626,441	349,134,903	381,168,805*
(b) Imported into Canada (bbls).....	133,249,113	134,517,707	147,720,870	143,530,957	144,184,281	146,076,898	170,418,463
(c) Consumed in Canada (refinery runs to stills)** (bbls).....	294,800,711	309,642,383	331,312,534	342,102,682	354,889,964	380,121,691	390,123,366
(d) Exported out of Canada (bbls).....	64,146,897	91,580,232	90,875,816	101,258,926	108,010,297	123,691,342	150,344,567

*Includes synthetic crude production of 453,541 barrels

**Includes natural gas liquids runs.

RECOMMENDATIONS FROM RESOURCES FOR TOMORROW CONFERENCE

Question No. 966—**Mr. Howard (Skeena):**

Were any recommendations made at the "Resources for Tomorrow Conference" held in Montreal a few years ago and, if so, what was each such recommendation and what action has the federal government taken with respect thereto?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): There was a large number of recommendations and suggestions made at the Resources for Tomorrow Conference held in 1961. These may be found in "Resources for Tomorrow, Volume 3", the Proceedings of that Conference.

It would be impossible to spell out all the actions the federal government has taken with respect thereto. The government's responses have pervaded the research, planning and development of programs of the various departments responsible for renewable resources, and has influenced the organization of the government's departments, interdepartmental institutions, and federal-provincial institutions.

FORCED RETIREMENTS FROM DEPARTMENTAL ADJUSTMENTS

Question No. 975—**Mr. McIntosh:**

1. Is it government policy to permit the forced retirement of civil servants in connection with departmental adjustments such as the current amalgamation of the Departments of Industry and of Trade and Commerce and, if so, under what authority is such action taken?

2. If pre-mature or forced retirement is resorted to in such circumstances, what are the criteria for selection of civil servants to be thus designated?

3. Does bilingual ability or the lack of it have any part in determining civil servants who are slated for compulsory retirement?

4. In such cases is any form of special retirement allowance, augmented pension or other compensation offered the civil servant forced out of the Public Service and, if not, for what reason?

Hon. C. M. Drury (President of the Treasury Board): 1. When employees are displaced as a result of departmental adjustments, it is Government policy to arrange wherever possible for the reallocation of these employees to vacancies elsewhere in the Public Service that have arisen as a result of attrition, the introduction of new programs, or the expansion of existing programs. This reallocation may be accompanied by retraining programs, assistance in removal expenses or both. Only as a last resort is there a form of "forced retirement".

Under Section 29 of the Public Service Employment Act "forced retirement" is authorized by subsection (1) which reads as follows:

"29(1) Where the services of an employee are no longer required because of lack of work or because of the discontinuance of a function, the Deputy Head, in accordance with regulations of the Commission, may lay off the employee".

The government policy in connection with the departmental reorganization announced by the Prime Minister on July 12, 1968, which included the amalgamation of the Departments of Industry and Trade and Commerce, was explained in a Circular released jointly by the Treasury Board and the Public Service Commission on July 26, 1968. This Circular, in describing a program designed to ease the impact upon employees whose jobs are eliminated by the reorganization, stated that it is expected that in most cases reassignment will be possible.

2. and 3. The selection of employees to be laid off is determined according to their reverse order of merit as specified in Section 34 of the Public Service Employment Regulations.

4. In addition to pension entitlement under the Public Service Superannuation Act, an employee who is laid off from the Public Service is eligible for a form of special retirement allowance. This takes the form of "retiring leave" under the provisions of Section 43 of the Public Service Terms and Conditions of Employment Regulations under the Financial Administration Act. Retiring leave is earned at the rate of one week for each year of service up to a maximum of 26. Upon the request of the employee this retiring leave may be paid in the form of a gratuity. In the case of those Public Service employees for whom collective agreements have already been signed there is a provision for severance pay which replaces retiring leave or the gratuity, but is similar in value to the employee.

PERSON IN CHARGE OF BANK OF CANADA NUMISMATIC COLLECTION

Question No. 991—**Mr. Howard (Skeena):**

1. What is the name and title of the individual in the employ of the Bank of Canada who is in charge of acquiring items for the Bank's numismatic collection and how long has the incumbent held this position?

Questions

2. On what date did the Bank establish the position referred to in part 1 hereof, and what are the names of each person who preceded the incumbent with an indication of the time during which they held this position?

3. What is the salary paid to the incumbent and what travelling and living expenses have been provided to him for each year since he has held his present position?

4. Did the incumbent previously work for the Bank in another capacity and, if so, what were those other capacities and did he at any time retire from the Bank's employ?

5. What qualifications does the incumbent have for the current position and do these qualifications include the hobby of numismatism and, if they do, has the Bank made a determination about any possible conflict of interest?

Hon. E. J. Benson (Minister of Finance): 1. Major Sheldon S. Carroll is the Curator of the Bank of Canada's Numismatic Collection. He was appointed to this position on September 1, 1963.

2, 3 and 4. I do not regard it as in the public interest to answer questions concerning internal management of the Bank of Canada unless the information is a matter of public record. The information requested in parts 2, 3 and 4 of this question is not a matter of public record.

5. The Department of Finance has used Major Carroll on a number of occasions to value numismatic collections or items given to the Crown. The Department has satisfied itself that he is a qualified professional numismatist who has studied the subject for over 30 years and was the founding president of the Canadian Numismatic Society and the Canadian Numismatic Research Society. Major Carroll does not have a personal numismatic collection.

INFORMATION RESPECTING ITEMS IN BANK OF CANADA NUMISMATIC COLLECTION

Question No. 992—**Mr. Howard (Skeena):**

With respect to the numismatic collection held by the Bank of Canada, for each item in the said collection, what is its (a) year (b) country of origin, and (c) grade and quality?

Hon. E. J. Benson (Minister of Finance): I do not regard it as in the public interest to answer questions concerning the internal management of the Bank of Canada unless the information is a matter of public record. The information requested in this question is not a matter of public record, though of course parts of the collection are displayed publicly from time to time.

[Mr. Howard (Skeena).]

WITHDRAWAL FROM HEALTH GRANT PROGRAMS

Question No. 996—**Mr. Burton:**

1. Has the federal government withdrawn from any federal-provincial health grant programs since January 1, 1964 and, if so, what are the programs?

2. On what date did the federal government withdraw from financial participation in each program?

3. What was the last full fiscal year in which the federal government participated in each such program and what were the expenditures of the federal government in each said program in that fiscal year?

4. Has the federal government given notice to the provinces of its intention to withdraw from participation in any other federal-provincial health grant programs and, if so, what are the programs and on what date is it the intention of the government to withdraw from these programs?

5. What was the expenditure of the federal government for each of the programs during 1967-68 and on each of the programs referred to in Part 4?

Hon. John C. Munro (Minister of National Health and Welfare): 1. No.

2. Not applicable.

3. Not applicable.

4. Yes. Hospital Construction Grants program, March 31, 1970. General Health Grants program, excluding the Public Health Research Grant and the Professional Training Grant over a three-year period, presumably by March 31, 1972.

5. Hospital Construction Grant, $16,401,662.43; General Health Grants, excluding Quebec's share with respect to the agreement under the Established Programs (Interim Arrangements) Act., $29,630,276.94.

DETENTION OF REFUGEE SEAMEN

Question No. 1001—**Mr. Haidasz:**

1. How many refugee seamen are detained in Canadian ports or in detention in Canadian institutions?

2. How many refugee seamen have asked for political asylum in Canada in the years 1966, 1967, 1968?

3. How many of these seamen have been deported in 1966, 1967, 1968?

4. What are the nationalities of these seamen?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. On December 6, 1968, 13 seamen were being detained in Canada under authority of the Immigration Act. Nine of these seamen were citizens of Poland, one was a citizen of Italy, one was a citizen of the People's Republic of China and the remaining two were citizens of Greece.

2. No figures are available.

3 and 4. Since no figures are available concerning the number of seamen who sought

political asylum in Canada, it is not possible to determine how many of such seamen have been deported or what their nationalities were.

DEFENCE PRODUCTION PRESS RELEASES

Question No. 1,007—**Mr. Howard (Skeena):**

1. Does the Department of Defence Production 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. Donald C. Jamieson (Minister of Defence Production): 1. Yes, 16,

2. (a) $144; (b) $184; (c) $847; (d) $859; (e) $350.

3. (a) 16 and 20 lb. standard bond; (b) approximately 300,000 sheets. Cost: $600.

4. 1,153.

REHIRING OF JEAN ROBERT OUELLET

Question No. 1,029—**Mr. Valade:**

1. Did the Minister of Manpower and Immigration rehire Jean Robert Ouellet, who was a candidate in the constituency of Sainte-Marie at the federal election of June 25, last and, if so, what are his present duties?

2. If Mr. Ouellet was not rehired by the Minister, was he hired by another department and by which department?

3. What is his present salary and what was his salary for the position he held prior to the last election?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The answer for the Department of Manpower and Immigration is as follows: 1. Mr. Jean Robert Ouellet was granted leave without pay from noon of May 17 to June 26, 1968, which was approved by the Public Service Commission in accordance with Section 32(3) of the Public Service Employment Act. He returned to his former position, Manpower Consultative Service Representative, in the Quebec Region.

2. See paragraph 1 above.

3. His salary prior to the last election was $13,303. His present salary is $13,908, which includes an annual statutory increase to the second step in the scale of rates for his occupational group and level.

C.M.H.C. URBAN RENEWAL EXPENDITURES

Question No. 1,032—**Mr. Lewis:**

1. For the years 1950, 1955, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968, what have been the total expenditures of Central Mortgage and Housing Corporation for urban renewal programs?

2. For the same years what is the expenditure distribution of these programs for municipalities with populations (a) over 1 million (b) 500,000 to under 1 million (c) 100,000 to under 500,000 (d) 50,000 to under 100,000 (e) under 25,000?

3. What are the anticipated or forecasted expenditures of C.M.H.C. for urban renewal projects in the next 1-3 years in each of the categories listed in (2) above?

4. What is the general policy of the Government of Canada with regard to urban renewal programs in Canada?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. See Schedule "1" below.

3 and 4. Existing urban renewal policy is presently under study by the Task Force on Housing and Urban Development. The report of the Task Force will be made shortly and studied by the government. After consideration of the report, government policy will be announced.

Schedule "1"

EXPENDITURES FOR URBAN RENEWAL PROGRAMS

Municipal Population	1950	1955	1960	1961	1962	1963
	$	$	$	$	$	$
1,000,000 and Over	Nil	Nil	22,000.00	1,083,399.47	2,568.43	1,912,264.11
500,000 to 999,999	Nil	Nil	1,406,194.57	1,010,231.42	694,238.39	139,573.19
100,000 to 499,999	Nil	Nil	311,042.86	415,650.92	1,672,455.75	718,145.02
50,000 to 99,999	Nil	Nil	419,763.15	367,900.51	1,817,762.65	1,397,445.60
Under 25,000	Nil	Nil	45,404.95	19,049.35	4,918.13	10,361.97
	Nil	Nil	2,204,405.53	2,896,231.67	4,191,943.35	4,177,789.89

Questions

Municipal Population	1964	1965	1966	1967	1968*
	$	$	$	$	$
1,000,000 and Over	778,232.14	996,454.21	916,765.88	50,000.00	Nil
500,000 to 999,999	346,680.47	667,649.77	2,166,923.68	1,676,948.83	1,128,063.18
100,000 to 499,999	2,509,981.87	2,326,438.90	2,820,467.07	3,887,051.60	2,822,540.26
50,000 to 99,999	643,953.53	992,310.42	775,658.08	1,816,876.39	3,999,802.08
Under 25,000	16,218.57	58,680.37	91,337.15	854,081.76	550,688.28
	4,295,066.58	5,041,533.67	6,771,151.86	8,284,958.58	8,501,093.80

*This covers expenditures from Jan. 1, 1968 to Oct. 31, 1968.

STUDY CONDUCTED BY KATES, PEAT, MARWICK AND COMPANY

Question No. 1,044—**Mr. Orlikow:**

1. Who are the individuals working for Kates, Peat, Marwick and Company of Toronto, Ontario, who conducted a study for the Department of Manpower and Immigration, and what amount was paid to that company for that study?

2. What is the academic background of each of these people?

3. What is the professional experience of each of these people?

4. When will a final decision be made about implementing the recommendations made to the government by the company?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The answer for the Department of Manpower and Immigration is as follows: 1. B. A. Griffith, H. V. Fullerton, W. Henry, R. Ilves and R. Shepherd. The company is still working on the study and has been paid to date $24,000.

2 and 3. See attached.

4. The final report is not yet completed, but because of its nature, no recommendations are expected.

B. A. Griffith B.A., M.A., Ph.D.: Graduated from the University of Toronto with a Ph.D. in Mathematical Statistics; On the staff of the University of Toronto from 1946-58 attaining the position of Associate Professor and Head of the Mathematical Statistics Department; Executive Vice President of KCS Ltd., (which later became Kates, Peat, Marwick & Co.), 1958-1966; Associate with Kates, Peat, Marwick & Co., 1966. H. V. Fullerton B.A.Sc., M.A., P. Eng.: Graduated from the University of Toronto with a B.A.Sc. in Engineering Physics in 1948, and a M.A. in Physics in 1949; Worked with Polymer in Operations Research between 1949-56; Director of Operations Research with KCS Ltd., 1956-59; Vice President of KCS Ltd., 1959-1966; Partner in Charge of Transportation Division 1966-1968; Left Kates, Peat, Marwick and Co. in 1968 to join staff of Queen's University. W. Henry B.A.Sc., P.Eng.: Graduated from the University of Toronto in 1958 with a B.A.Sc. in Engineering Physics; Computer Systems Specialist with Ontario Hydro, 1958-1963; Manager with Transportation Division of Kates, Peat, Marwick & Co. working in marketing and research analysis, 1963. R. Ilves, B.A.Sc., P.Eng.: Graduated from the University of Toronto in 1967 with a B.A.Sc. in Engineering Physics; Manager with Transportation Division of Kates, Peat, Marwick & Co., 1967. R. Shepherd: Senior draftsman with Ontario Hydro, 1948-1954; Employed in oil industry 1954-1965; Field supervisor with KCS Ltd., 1965.

EMPLOYMENT OPPORTUNITIES FORECASTS BY LABOUR DEPARTMENT

Question No. 1,049—**Mr. Broadbent:**

1. Does the Department of Labour undertake economic forecasting on employment opportunities in Canada?

2. If so (a) what are the Department's forecasts for employment opportunities in Canada and in the five main regions of Canada, i.e., British Columbia, the Prairies, Ontario, Quebec and the Atlantic Provinces, in the next three months, six months and twelve months (b) what are the Department's forecasts of unemployment rates, seasonally adjusted, for Canada, and for the five main regions of Canada, i.e., British Columbia, the Prairies, Ontario, Quebec and the Atlantic Provinces, in the next three months, six months and twelve months?

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): 1. No.

2. Not applicable.

EMPLOYMENT OPPORTUNITIES FORECASTS BY FINANCE DEPARTMENT

Question No. 1,050—**Mr. Broadbent:**

1. Does the Department of Finance undertake economic forecasting on employment opportunities in Canada?

2. If so, (a) what are the Department's forecasts for employment opportunities in Canada and in the five main regions of Canada, i.e., British Columbia, the Prairies, Ontario, Quebec and the Atlantic Provinces, in the next three months, six months and twelve months (b) what are the Department's forecasts of unemployment rates, seasonally adjusted, for Canada and for the five main regions of Canada, i.e., British Columbia, the Prairies, Ontario, Quebec and the Atlantic Provinces, in the next three months, six months and twelve months?

Hon. E. J. Benson (Minister of Finance): 1 and 2. The Department of Finance conducts a continuing reappraisal of the economic situation in Canada and forecasts a number of economic aggregates based on alternative assumptions as to future developments. These reappraisals, which include forecasts and changes in employment, are used for internal purposes within the Department.

FUNCTIONS OF C.B.C. STAFF AT COMMONWEALTH CONFERENCE

Question No. 1,076—**Mr. Mazankowski:**

Are any employees of the Canadian Broadcasting Corporation accompanying the Canadian delegation to the Commonwealth Prime Ministers' Conference and, if so, what are their positions, their current salaries and their expected functions at the Conference?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: Sixteen C.B.C. employees were sent to London in connection with coverage of the Commonwealth Prime Ministers' Conference for the four C.B.C. English and French radio and television networks. The employees were assigned to carry out their regular functions of producer, reporter, announcer and script assistant. It has not been customary to require the Corporation to disclose individual salaries.

INDIAN—ESKIMO BUREAU DIRECTOR

Question No. 1,079—**Mr. Orlikow:**

1. Who is the Director of the Indian-Eskimo Bureau?

2. When was the appointment made?

3. Was the position advertised and applications asked for?

4. What is the academic background of the successful applicant?

5. What experience in working with Indians did the successful applicant have?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Mr. Eric E. Boyd is Chief of the Indian-Eskimo Bureau.

2. October 1, 1968.

3. The appointment was made in accordance with Section 13 of the regulations under the Public Service Employment Act. See Canada Gazette Part II, Volume 101 SOR/67-129 Section 13.

4. Senior Matriculation with specialized training and experience in communications, public relations and business administration.

5. Mr. Boyd is conversant with all programs, policies and legislation affecting the Indian and Eskimo people. Since joining the Department he visited many Indian communities in all areas of the country and attended several meetings of Indian Associations and Band Councils.

MICHEL MALETTO—ACTIVITIES IN COMPANY OF YOUNG CANADIANS

Question No. 1,087—**Mr. Muir (Cape Breton-The Sydneys):**

1. Were "volunteers" attached to the Company of Young Canadians involved in any way in the activities leading to the takeover of a junior college at Ste. Thérèse, Québec, by students in November?

2. Was Michel Maletto at the time of the takeover in question attached in any capacity to the Company of Young Canadians and is he still attached to the C.Y.C. and, if so, in what capacity?

3. What amounts of money have been paid to Michel Maletto by the Company of Young Canadians?

4. While attached to the Company of Young Canadians was Michel Maletto involved in any way with students organizing the takeover of the junior college at Ste. Thérèse, Québec and was he in any way involved in activities leading to the takeover of the École des Beaux Arts in Montreal and, if so, what was the extent of his involvement in these activities?

5. Was Michel Maletto instructed at any time by any person in authority in the Company of Young Canadians to involve himself in activities leading to student takeovers of educational institutions in the Province of Quebec and, if so, in pursuit of what particular policy directive issued to the Company of Young Canadians by the government or authorized by Parliament?

6. Is active involvement in organizing student takeovers of provincial educational institutions one of the functions of the Company of Young Canadians?

7. What are the functions of the Company of Young Canadians as authorized by the Parliament of Canada?

8. What is the amount of total monthly pay and allowances awarded to Company of Young Canadians "volunteers"?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. No.

Questions

2. Mr. Michel Maletto has been employed by the Company of Young Canadians since December 5th, 1966. He is presently a project officer.

3. Mr. Maletto is a category 3 employee. The maximum salary for this category is $10,000 per annum.

4. No.

5. No.

6. No.

7. The objects of the Company are to support, encourage and develop programs for social, economic and community development in Canada or abroad through voluntary service.

8. Volunteers receive a living allowance to cover room and board (this figure varies according to the cost of living in various parts of Canada); a personal allowance of $35 per month; a book allowance of $25 per year; and a clothing and equipment allowance of $100 per year. The total amount for December, 1968 was $43,612.18.

BAY ST. LAWRENCE, N.S.—ENROLMENT FOR ENGINE COURSE

Question No. 1,089—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has the Minister of Manpower and Immigration received a number of letters from fishermen in the Bay St. Lawrence, N.S., area, to the effect that they have been prevented from taking an engine course organized under the local Manpower Office because all those selected for the course are employees of one employer, Victoria Co-Operative Fisheries?

2. Will the Minister take steps immediately to set up an additional course for those excluded from the first course?

3. Will he take steps to ascertain why all of those enrolled in the present course were taken from the same organization and why others were excluded and will he investigate charges that favouritism has been shown in the selection of candidates?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Correspondence has been received from one person. In addition, I received verbal representations and discussed the problem with those concerned while visiting the area early in December 1968.

2. Some time prior to the asking of Question 1,089 steps to set up an additional course were already taken. Arrangement of this course was hampered by the fact that only one mobile trailer classroom for a course in engine repair is available from the Province of Nova Scotia. However, we were able to purchase places in a second course in nets and gear repairs which started on January 6 in Dingwall. Most, if not all, of those who were not referred to the first course are enrolled in this one.

3. A thorough investigation was carried out some weeks ago and it was determined that no favouritism was involved in the referral of persons to the first course. The course could only accommodate a maximum of ten people who had to be selected from a total of seventeen applicants. This, of course, meant that selective criteria had to be used to ensure that those candidates who could most benefit from the training would be chosen. I am advised that referral was made after consideration of such matters as the individual's need for training, his ability to benefit from it, the date of his application for it, marital status, number of dependents and, in one case veterans preference. Records show that most, if not all, of those omitted from the first course applied for training within a few days prior to the start of this course.

INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 1,101—**Mr. Robinson:**

1. What is the policy of the federal government towards recovery of default payments on loans made by the Industrial Development Bank?

2. Is a loss of approximately half a million dollars per year on this program considered normal?

3. What steps will the federal government take to avoid losses on loans made by the Industrial Development Bank?

4. How many companies or individuals had a loss written off by Industrial Development Bank, what is the name of each company or individual and where was each located in Canada and what was the amount of write-off in each case and why was the amount written off?

Hon. E. J. Benson (Minister of Finance): 1. The Industrial Development Bank Act assigns to the Board of Directors the responsibility of managing the Bank, including matters relating to the recovery from debtors of amounts owing.

2. The record of amounts written off, by fiscal years, is given on pages 28 and 29 of the IDB Annual Report for the fiscal year 1968.

3. See reply to 1.

4. While the IDB provides comprehensive aggregate data on its operations in its Annual Report, it has not been the practice nor is it considered appropriate to make public information concerning individual accounts.

CANADIAN ARMED FORCES BOOT PURCHASES

Question No. 1,105—**Mr. Godin:**

1. In 1967, how many pairs of shoes and boots did the government purchase for the three integrated forces of the Canadian Army?

2. From how many manufacturers were these shoes and boots purchased?

3. What is the name and address of each?

Hon. Donald C. Jamieson (Minister of Defence Production): 1. 111,027 pairs.

2. Nine.

3. G. A. Boulet Ltd., St-Tite, P.Q.; Kaufman Footwear Industries Ltd., Kitchener, Ont; Greb Industries Ltd., Kitchener, Ont.; MacFarlane-Lefaivre Mfg. Ltd., Montreal, P.Q.; J. A. & M. Cote Ltd., St. Hyacinthe, P.Q.; The T. Sisman Shoe Co. Ltd., Aurora, Ont.; The Acton Rubber Ltd., Acton Vale, P.Q.; Gresvig Ltd., Montreal, P.Q.; Koch Shoes Ltd., Newfoundland.

FEDERAL REVENUE COLLECTED IN QUEBEC

Question No. 1,116—**Mr. Laprise:**

1. Of the total revenue of the federal government for the 1967-1968 fiscal year, what amount was collected in Quebec?

2. Of the total federal expenditures for the 1967-1968 fiscal year, what percentage was spent in Quebec?

Hon. E. J. Benson (Minister of Finance): 1 and 2. Information is not now available to provide an accurate answer to this question and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

SUBSIDIZING OF GOLD MINING OPERATORS

Question No. 1,122—**Mr. Lambert (Bellechasse):**

Does the federal government in any way subsidize gold mining operators and, if so (a) how much was paid for this purpose during the last fiscal year (b) to what companies were these payments made (c) how much was paid to each of them?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Financial assistance is given to operators of gold mines in Canada under the provisions of the Emergency Gold Mining Assistance Act. (a) The total assistance payable under the Act to gold mine operators with respect to the calendar year 1967 amounted to $15,152,976; (b) and (c) The amounts payable for the year 1967 to each operator was as follows:

Operator of Mine	Location of Mine	Assistance Payable
Annco Mines Limited	Ont.	$ 154,980
Aunor Gold Mines Ltd.	Ont.	724,818
Barnat Mines Ltd.	Que.	422,678
Bralorne Pioneer Mines Ltd.	B.C.	500,054
Bremner, J.	Yukon	1,150
Burgelman, N and A.	Yukon	2,297
Cariboo Gold Quartz Mining Co. Ltd.	B.C.	37,539
Chimo Gold Mines Ltd.	Que.	85,677
Cochenour Willans Gold Mines Ltd.	Ont.	168,521
Cominco Ltd. (Con)	N.W.T.	280,320
Consolidated Mosher Mines Ltd.	Ont.	221,273
Dickenson Mines Ltd.	Ont.	507,276
Discovery Mines Ltd.	N.W.T.	101,589
Dome Mines Ltd.	Ont.	1,392,767
East Malartic Mines Ltd.	Que.	632,020
Hallnor Mines Ltd.	Ont.	318,378
Hollinger Consolidated Gold Mines Ltd.	Ont.	1,281,517
Hollinger Consolidated Gold Mines Ltd. (Ross)	Ont.	212,939
Kerr Addison Mines Ltd.	Ont.	489,811
Lamaque Mining Co. Ltd. (Lamaque)	Que.	700,890
Lamaque Mining Co. Ltd. (Teck-Hughes)	Ont.	174,955
Little Long Lac Gold Mines Ltd. (Dubuisson)	Que.	12,519

Orders for Returns

Operator of Mine	Location of Mine	Assistance Payable
Lolor Mines Ltd.	N.W.T.	29,400
Macassa Gold Mines Ltd.	Ont.	443,483
MacLeod-Cockshutt Gold Mines Ltd.	Ont.	21,774
MacLeod Mosher Gold Mines Ltd.	Ont.	252,415
Madsen Red Lake Gold Mines Ltd.	Ont.	625,407
Marban Gold Mines Ltd.	Que.	279,735
McIntyre Porcupine Mines Ltd.	Ont.	978,638
Norbeau Mines (Quebec) Ltd.	Que.	284,423
Pamour Porcupine Mines Ltd.	Ont.	659,394
Perret, F.	Yukon	626
Preston Mines Ltd.	Ont.	290,273
Renabie Mines Ltd.	Ont.	340,982
Sailer, A.	Yukon	832
San Antonio Gold Mines Ltd.	Man.	137,622
Sigma Mines (Quebec) Ltd.	Que.	714,930
Spruce Creek Placers Ltd.	Yukon	3,309
Sullivan Consolidated Mines Ltd.	Que.	297,391
Supercrest Mines Ltd.	N.W.T.	46,600
Thorsen, H.	Yukon	1,948
Tundra Gold Mines Ltd.	N.W.T.	270,036
Upper Canada Mines Ltd.	Ont.	492,949
Vol Mines Ltd.	N.W.T.	25,809
Wasamac Mines Ltd.	Que.	508,938
Wilmar Mines Ltd.	Ont.	22,094

INMATES IN FEDERAL PENITENTIARIES

Question No. 1,158—**Mr. Godin:**

What was the number of inmates in federal government penitentiaries for each of the following years 1930, 1935, 1940, 1945, 1950, 1955, 1960, 1965?

Hon. G. J. McIlraith (Solicitor General): The numbers of inmates on register as of March 31 in each of the years specified were:

Year	Inmates
1930	3187
1935	3552
1940	3772
1945	3129
1950	4740
1955	5507
1960	6344
1965	7518

QUESTIONS PASSED AS ORDERS FOR RETURNS

DAIRY PRODUCTS CONTRACTS

Question No. 1,016—**Mr. Crouse:**

1. Has the government recently awarded dairy products contracts to Winnipeg companies?
2. If so, what is the name of the company?
3. What is the amount of the contract?
4. What are the names of company directors?
5. Were public tenders called before contracts were awarded?
6. If so, what were the names of companies bidding for this business and the amount of their bids?
7. What government departments are serviced by the successful contractor?

[Mr. Greene.]

Return tabled.

*SABRE AIRCRAFT TENDERS

Question No. 1,030—**Mr. Beaudoin:**

1. What tenders have been submitted for the purchase of the 26 Sabres now on sale by the Canadian Government?
2. What are the amounts of each tender and the name of each tenderer who wants to acquire the 26 Sabres?
3. Has it been officially decided to sell these Sabres individually?
4. How much have these Sabres cost the Canadian Government since they were put into service?

Return tabled.

OLD AGE ASSISTANCE

Question No. 1,066—**Mr. Beaudoin:**

1. How many persons, by province and in the federal Constituency of Richmond, received allowances under the Old Age Assistance Act during 1965, 1966, 1967, 1968?

2. What is the average amount now being paid under the said Act (a) by province (b) in the federal Constituency of Richmond?

3. How many persons in the federal Constituency of Richmond are between 65 and 70 years of age?

Return tabled.

WINTER WORKS—RICHMOND

Question No. 1,068—**Mr. Beaudoin:**

During the years 1962, 1963, 1964, 1965, 1966, 1967 and 1968, how much did the government spend on Winter Works in the federal Constituency of Richmond and in each of its parishes?

Return tabled.

CANADIAN ARSENALS LIMITED

Question No. 1,073—**Mr. Durante:**

1. How many individuals have been employed by Canadian Arsenals Limited and its associated divisions each year, for the past ten years?

2. What is the total value of small arms manufactured each year, for the past ten years?

3. What is the description and total amount of ammunition manufactured during the year 1967?

4. What has been the total cost to the federal government per year, for the past ten years, in the operation of Canadian Arsenals Limited and its associated divisions?

Return tabled.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not know why it is that simple questions cannot be answered, unless the Secretary of State is adopting the attitude toward the house that he adopts toward members in refusing regarding current matters to reply to letters for two months. On November 19, I placed on the order paper question No. 803 regarding the opening in Saskatoon of an office for the Minister without Portfolio (Mr. Lang). This two-month delay indicates an arrogant disregard for parliament. The answer should be available. I ask the Secretary of State to give more attention to these matters than he has in the past, and I refer particularly to the way he delays in answering correspondence.

ORAL QUESTION PERIOD

CANADIAN BROADCASTING CORPORATION

KICKBACKS IN PURCHASE OF U.S. FILMS—REQUEST FOR APPEARANCE OF MISS LAMARSH BEFORE STANDING COMMITTEE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State whether he has now had an opportunity to consider the statements made by Miss LaMarsh regarding alleged kickbacks in connection with certain films, and the exercise of undue control of Radio Canada by separatists, and reference of this subject by the former president of the corporation to the former Prime Minister? Has the Secretary of State had an opportunity to familiarize himself with these charges and has he made any decision as to what he intends to do? Will he inform the house as to what action he proposes to take?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, when the Leader of the Opposition first asked this question, I answered him that one could, of course, initiate inquiries only if there were sufficient details concerning the charges made.

Now, I can tell him that as regards the first question which he seemed concerned about, namely an accusation to the effect that the CBC president, before submitting to the CBC Board of Directors a report that he himself had asked for, had allegedly deleted or suppressed parts pertaining to kickbacks in the buying of films, this accusation was precise enough for the C.B.C. and myself, on my own authority, to check whether it was true or false. Now, we have contacted four out of seven of the authors of the first report—two others have died since and the third could not be reached—and our investigation showed that the former C.B.C. president (Mr. Ouimet) could not have falsified this document by deleting from it this kind of accusations, since the writers assured us that the said report never mentioned any kickbacks, scandals, or films, taken or not, that might have been stolen, as reported in Miss LaMarsh's book. The report did not even mention such things, but was entirely devoted to the C.B.C. organization or rather, I should say, to the line of authority chart within the C.B.C. This charge, precise enough for us to investigate, proved to be entirely false and groundless, since it was impossible for the president of the C.B.C. to have done what Miss LaMarsh accused him of.

As regards the other accusations, they seem to me extremely vague, or they are not real charges, but strictly references to facts of which the interest must be assessed in 1969. I must say that this question, both for the C.B.C., as far as they are concerned, and for the minister, as far as he is concerned, is still being examined.

Inquiries of the Ministry

[*English*]

Mr. Stanfield: Mr. Speaker, I should like to ask the chairman of the committee on broadcasting whether he would consider requesting Miss LaMarsh to attend the committee to substantiate or elaborate on the charges she has made in public, in order that the committee will have an opportunity to settle this matter for the benefit of the people of Canada and also for the benefit of the C.B.C., which now stands under some suspicion? Will the chairman of the committee entertain such an investigation?

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I would be happy to refer this matter to the subcommittee on agenda and procedure for discussion, and perhaps report back to the house.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the minister whether he has directed any questions by correspondence or otherwise to Miss LaMarsh to seek clarification of the statements she has made other than those facts received in a privileged position?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I have not written any personal letter to Miss LaMarsh, but I have had several opportunities to say on radio and on television that we would inquire into any charges sufficiently precise.

I suppose that owing to the great interest shown by this author for the C.B.C.—she has written a very long chapter on the subject—she must sometimes listen to the news on radio and look at TV. She certainly knows that we are anxious to read any precise charge that she may not have published, but that she could substantiate. We will conduct an inquiry as soon as she makes any precise charges.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in view of the statements made over the week end by the parliamentary secretary to the Secretary of State for External Affairs in respect of separatists in the C.B.C. and Radio Canada, along the lines of statements made by Miss LaMarsh, is the minister looking into the question?

Mr. Speaker: Order, please. The hon. member knows he cannot refer to statements made outside the house—I was going to say by ordinary members but I will not do so—by members other than cabinet ministers.

Mr. Orlikow: May I rephrase my question. Is the Secretary of State prepared to ask the chairman of the standing committee to request that Miss LaMarsh bring any information she has about separatism in Radio Canada to the committee?

[*Translation*]

Mr. Pelletier: I have already stated, Mr. Speaker, that I considered the standing committees of the house as organizations serious and responsible enough to determine themselves their course of action when Parliament entrusts them with a mission.

[*English*]

THE CANADIAN ECONOMY

WATKINS REPORT—GOVERNMENT ACTION TO PROTECT ECONOMIC INDEPENDENCE

Mr. David Lewis (York South): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. The other day I asked the then Acting Prime Minister a question, and it has since been drawn to my attention that perhaps the Minister of Consumer and Corporate Affairs is responsible for some part of my question. I refer to the question whether or not he has prepared or is preparing amendments to the Canada Corporations Act or other relevant legislation to deal with foreign ownership of Canadian industry in relation to the question of protecting Canada's economic independence?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, it was announced in the Speech from the Throne that I would be introducing amendments to the Canada Corporations Act. I have subsequently said I will be introducing amendments to deal with corporate disclosures. These amendments are in the process of being drafted and approved. During that process we have before us a number of very excellent and helpful reports, some from the province of Ontario. We have before us the excellent report of the joint committee of the Senate and House of Commons on prices, and its comments on corporate disclosure. We also have the Watkins report which indicated, and I paraphrase it, that Canada should leave no

stone unturned to create greater public disclosure in Canada.

Mr. Lewis: A supplementary question, Mr. Speaker. I was certain the minister would agree that the report of the joint committee on consumer prices of the House of Commons and Senate was a good report. I suspect he wrote part of it.

Mr. Knowles (Winnipeg North Centre): After all, he was the chairman.

Mr. Lewis: Yes, he was the chairman. I would like to ask the minister whether his amendments in any way affect such problems as the policies to be pursued by Canadian subsidiaries of United States multinational firms in terms of sending assets or money back to their parent companies, or the policies that may be pursued with respect to foreign trade and the like, or are the amendments limited to disclosure only?

Mr. Basford: Mr. Speaker, some of the matters the hon. member raises could not properly be covered in a companies act or a corporations act. The amendments I will be drawing and introducing will be concerned solely with the legal framework within which companies in Canada operate, and more specifically those that receive letters patent under the Canada Corporations Act.

[*Translation*]

CRIMINAL CODE

POSSIBILITY OF STRIKING OUT PART DEALING WITH ABORTION

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should like to put a question to the Prime Minister.

In order to establish proper diplomatic relations with the Vatican, does he intend to co-operate with the Minister of Justice to withdraw from the omnibus bill the section legalizing abortion?

[*English*]

EXTERNAL AFFAIRS

DIPLOMATIC EXCHANGE WITH THE VATICAN—POSSIBILITY OF DISSENSION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the question I am about to direct to the Prime Minister is a personal one. It has to do with references to providing representation to the Vatican. I might point out that I am the only member of this house who has had the the honour of two audiences with Popes, one with Pope John and one with Pope Paul.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I realize there are arguments on both sides, but does the Prime Minister not realize that Prime Minister King, Prime Minister St. Laurent, Prime Minister Pearson and myself took the stand that if the action were taken of sending a representative to the Vatican it would split this country? Does he not realize, on the basis of the arguments advanced today by the hon. member for York South, that taking this action will bring about a division in this country serious and tremendous in its import?

Mr. Speaker: Order, please. I am not sure that the right hon. gentleman's question is personal but it is certainly argumentative. However, in view of the interest in the matter the Prime Minister might want to reply.

Right Hon. P.-E. Trudeau (Prime Minister): If you wish, Mr. Speaker. If the right hon. gentleman is right in saying that it will split this country right down the middle, I think the course of the government would be not to exchange representation with the Vatican. But I have cause to doubt his diagnosis of the country's temper on this matter.

SPORTS

NATIONAL HOCKEY LEAGUE—POSSIBLE TRANSFER OF OAKLAND FRANCHISE TO BUFFALO

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Is the government contemplating any action in view of the fact there are strong indications that the National Hockey League board of governors are prepared to approve transfer of the Oakland franchise to Buffalo, contrary to their previous pledge to approve Vancouver as the site of the next N.H.L. franchise?

Mr. Speaker: I am not sure how urgent this matter is but I sense that hon. members would want the minister to reply.

Mr. Baldwin: Get the minister out of the penalty box.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, my view of some of the past actions of the governors of the National Hockey League is a matter of public record. I have stated that I have no

evidence that they have acted in the Canadian interest in the matter of expansion or transfers. I would hope that with regard to the Oakland franchise they would take action to demonstrate to me and to the people of this country that they are concerned about hockey in Canada and about having more than two National Hockey League teams in Canada.

My colleague, the Minister of National Health and Welfare, has a Task Force which may well recommend some action with regard to the National Hockey League. The Economic Council of Canada will soon be reporting on the Combines Investigation Act and recommending amendments to that act. I hope that by the time I have to deal with amendments to the Combines Investigation Act the governors of the National Hockey League will have demonstrated to me that they need not be included within that act or in some other national or bi-national regulation of professional sport.

Some hon. Members: Hear, hear.

DEFENCE PRODUCTION

H.M.C.S. "BONAVENTURE"—ALLEGATIONS REGARDING OVERCHARGES IN REFITTING

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that aspersions have been cast on the involvement of members of the public service, more especially those associated with the Department of Defence Production, in the refit of H.M.C.S. *Bonaventure*, can the Prime Minister inform the house what action the government intends to take in this regard?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the incident to which reference is made. I will have to look it up.

Mr. Coates: Mr. Speaker, the Prime Minister has said he is not aware of this incident. If he would read today's newspapers he would find statements—

Mr. Speaker: Order, please. The hon. member can only ask questions; he cannot give facts to the house.

Mr. Coates: On a question of privilege, Mr. Speaker, a most important matter that casts reflection upon every civil servant in this country has been bandied about not only in the Canadian press but in the international press, and the Prime Minister informs this house that he is not even aware of it. Surely to goodness—

Mr. Speaker: Order, please. That is not a question of privilege. It may be a subject of distress to the hon. member but it is not a question of privilege.

Mr. Coates: It is not distress, Mr. Speaker; it is complete frustration.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. Although the question was put to the Prime Minister, having regard to the information just given by the hon. member and the fact that this matter is within the knowledge of the Minister of Justice, would he be prepared to say whether an investigation is now being carried out by his department in reference to these serious charges? If there is such an investigation taking place, have any charges been laid to date against anyone, including Canadian officials or other citizens or people in other lands?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, this matter was recently brought to the attention of the Canadian public—

An hon. Member: Not all of it.

Mr. Turner (Ottawa-Carleton): —as a result of a court case in western Germany. The Prime Minister was out of the country at the time. Allegations of fraud involving certain defence contracts made with Cardinal Engineering and Machinery Company Limited of Montreal were investigated by the Royal Canadian Mounted Police and referred to the Department of Justice as long ago as August of 1965. Pursuant to that, on January 12, 1966, a member of the R.C.M.P. swore out an information against Remus Rodaru and Cardinal Engineering and Machinery Company Limited. The information contained some 13 counts of defrauding the government of Canada of various sums of money contrary to section 323 of the Criminal Code.

In late August of 1966 the prosecution was terminated by the local crown attorney, it falling, of course, under the administration of justice within the provincial sphere, largely because of difficulties in obtaining evidence from Germany that would support the case. In that regard, evidence from a man, Erhardt Junkers, was regarded as necessary but it was found it could not be obtained in an acceptable form.

Following the termination of the criminal proceedings it was decided to recover, if possible, from Cardinal Engineering and Machinery Company Limited certain sums of money that were felt to be in excess of the fair and reasonable cost of performing the contracts, and on January 6, 1967, the Minister of Industry made an order for this purpose under section 21 of the Defence Production Act. By virtue of that order, Cardinal Engineering and Machinery Company Limited was directed to pay to the Receiver General the sum of $111,643.66.

On February 8, 1967, Cardinal Engineering and Machinery Company Limited gave notice of its intention to appeal that order and the direction of the Minister of Industry to the Exchequer Court of Canada. The matter is now pending before that court. The testimony of Erhardt Junkers in Germany will have to be scrutinized, as it is now being scrutinized, in order to see whether it contains any facts that might have a bearing on the legal proceedings now pending or that may influence the government of Canada to reinstitute proceedings in this country.

Mr. Woolliams: Mr. Speaker, I have a further supplementary question. I appreciate the minister's frankness in this matter, but as soon as he receives that information from the German legal officer in that particular area, would he be prepared to make a further disclosure to the House of Commons as to what will be the situation so far as the Department of Justice is concerned?

Mr. Turner (Ottawa-Carleton): I will certainly be prepared to do that, perhaps when my colleague, the Minister of Defence Production, returns to the house. We will certainly keep the house informed of any new facts in the situation.

Mr. Erik Nielsen (Yukon): I have a supplementary question for the Minister of Justice. Can the minister elaborate and say whether the proceedings in Montreal were terminated by the Crown not calling further evidence, resulting in the dismissal of the charges, or were the proceedings simply adjourned and no further evidence called?

Mr. Turner (Ottawa-Carleton): The hon. member is an authority on current proceedings—

Mr. Nielsen: I have to be.

Mr. Turner (Ottawa-Carleton): I have said that Crown counsel found that the case could not successfully be proceeded with because of shortage of evidence for the reasons I have outlined to the house.

Mr. Nielsen: The minister did not understand my supplementary question, I am sure. Was it simply by way of a stay of proceedings which would permit the Crown to reinstitute proceedings, or is this precluded now by reason of the fact that the case was dismissed?

Mr. Turner (Ottawa-Carleton): I will have to look into the matter a little more closely.

DOMINION-PROVINCIAL CONFERENCE

POSSIBLE INCREASE IN OLD AGE SECURITY BENEFITS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of last week's federal-provincial conference of welfare ministers and in view of various speeches, statements and press releases that the minister has been issuing, will he at an early date make a statement to the house as to the government's intentions regarding pensions, allowances, the guaranteed annual income, and so on? Can he also state at an early date whether it is the government's intention this year to increase the basic amount of the old age security pension?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as has been indicated several times by the Prime Minister, by the Minister of Finance and by myself in the house, this whole matter is at present under review by the government. When that review will be completed and what firm conclusions we will reach at that time will be announced to the house in the normal course, but it is going on now and it is difficult to say just how soon it will be completed.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. Does that review include a study of the possibility of increasing the basic amount of the old age security pension?

Mr. Munro: It is a factor which will be included in the review.

Inquiries of the Ministry

INDIAN AFFAIRS—POSSIBILITY OF WITHDRAWAL BY FEDERAL GOVERNMENT FROM WELFARE PROGRAM

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my supplementary question arises from the same conference and is directed to the right hon. Prime Minister. Arising from the reports that the provincial governments are not willing to provide welfare service to Indians because of the fear that the federal government might withdraw from the program once it is established, is the Prime Minister in a position to assure the provincial governments that the federal government will not withdraw support unilaterally from such a program?

Right Hon. P.-E. Trudeau (Prime Minister): Of course, Mr. Speaker, the kind of unilateral action to which the hon. member refers is not one the government would take. I would not want to speak for the minister responsible for Indian affairs. His policy on this particular point is being presented to the government. I cannot say what negotiations he has embarked upon with the provinces, but whatever they are it will not be done unilaterally.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In the proposal made by him to the provinces that they take over welfare services for the Indian people, which are now the responsibility of the federal government, did he propose to the provinces that the federal government was prepared to pay only for 85 per cent of existing welfare programs or did he propose that the federal government was prepared to pay the full amount now and in the future?

Hon. John C. Munro (Minister of National Health and Welfare): The proposal was to bring the Indians to whom the hon. member is referring under the provisions of the Canada Assistance Plan but under a different cost-sharing arrangement which, depending on the province involved, would range from 85 to 97 per cent of the cost. Hopefully it would diminish over the years as the rehabilitation features of the Canada Assistance Plan took effect.

Mr. Dinsdale: Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Did the minister give the provincial ministers an assurance that there would be no possibility of a unilateral withdrawal from this program if it was agreed to?

[Mr. Munro.]

Mr. Munro: Mr. Speaker, I think the majority, if not all, of the welfare ministers were aware that discussions had gone on between the federal and provincial finance ministers as to cost sharing and, if there was a withdrawal, whether tax points would be given up by the federal government and so on, and that all this was in a state of negotiation in terms of the constitution and federal-provincial relations. So that it was not really pertinent to our discussion inasmuch as these discussions have been going on at other levels so far as the whole picture is concerned with regard to the cost-sharing programs that we have.

[*Translation*]

ADMINISTRATION OF JUSTICE

PUBLICATION OF EXCHEQUER COURT RULES

Mr. André Fortin (Lotbinière): Mr. Speaker, I recently asked the Minister of Justice whether the rules of the Exchequer Court would be translated into French, and I was told that the new bilingual edition was expected to be published early in 1969. Is the Minister of Justice in a position to indicate the approximate date of publication, in French and English, of the rules of the Exchequer Court?

Hon. John N. Turner (Minister of Justice): Within a few weeks, Mr. Speaker.

[*English*]

GRAIN

VANCOUVER, B.C.—POSSIBILITY OF CO-ORDINATING COMMITTEE TO RELIEVE CONGESTION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, in the light of the very serious problem of grain congestion at the port of Vancouver, can the minister advise the house whether the recent suggestion to set up a Vancouver co-ordinating committee in the grain trade has been carried out?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Minister of Industry, Trade and Commerce announced to the house that some meetings had been arranged and indeed meetings have been held in Vancouver of what is in effect a subcommittee of the overall co-ordinating committee involving the grain companies, the Wheat Board, the transportation companies and the terminal operators.

Mr. Southam: I have a supplementary question. Can the minister say how effectively this committee is working to resolve the very difficult situation which exists at the port?

Mr. Olson: That would be a matter of opinion, and we usually deal only with facts.

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker, to the one asked by the hon. member for Qu'Appelle-Moose Mountain. In the absence of the Minister of Trade and Commerce may I ask the Minister of Agriculture whether any investigation is being made into the feasibility of diverting at least some of the ships now waiting at Vancouver to the ports of Prince Rupert and Seattle? Carloads of dry grain might also be diverted to those ports for loading on such ships. Has any consideration been given to this?

Mr. Olson: I am not sure whether consideration has been given to that specific proposal but I know there was a meeting in Winnipeg of the co-ordinating committee, attended by many other people in the grain industry, at which an attempt was made to find the best solution to the congestion problem at Vancouver so that the ships in the harbour can be loaded.

PERMITS TO MOVE DAMP GRAIN ACROSS PROVINCIAL BOUNDARIES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce but in his absence, I will direct it to the Minister of Agriculture. Is he or the Wheat Board considering the granting of permits for the movement of damp grain across provincial boundaries, without it going to the Wheat Board, to facilitate the movement of damp grain which, if it is not utilized before spring, will be completely spoiled?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have had a large number of representations to this effect and we have had an equally large number of representations from people who do not wish to see a relaxation in the movement of feed grain over provincial borders. The fact is that this does give an advantage to those people living near feed mills adjacent to provincial borders. Therefore it seems that the most equitable way of sharing the over-all market among all the producers who have tough and damp grain, no matter where they live on the prairies, would be through the Canadian Wheat Board.

Mr. Horner: My question dealt with the granting of permits to individual farmers and in that way allowing the Wheat Board to keep track of the movement of damp grain and the prices at which it is moving. I would like the minister and his department to consider the feasibility of granting permits similar to those that were granted to feed mills to purchase feed grains in western Canada.

Mr. Olson: If there is some novel idea with respect to this matter that would be useful, without giving a larger share of the available market to some producers at the expense of others, I would be very interested in having the hon. member pass that information to us.

EXTERNAL AFFAIRS

REQUEST FOR POSITION PAPERS ON FOREIGN POLICY

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs whom I should like to welcome back to Canada. Could the minister tell us whether the position papers upon which certain academics were invited to comment in connection with a reassessment of Canada's foreign policy can be made available to members of the external affairs committee of this house?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I see no objection, Mr. Speaker. Indeed, if any members of the house would like to have copies I would be glad to supply them on request.

IMMIGRATION

POLICY RESPECTING REFUGEES FROM COMMUNIST COUNTRIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. Has there been any change in government policy since the present ministry was formed in connection with the admission of refugees from communist countries seeking political asylum?

Mr. Speaker: Order. The hon. member is asking for a statement of policy and I suggest this is not in order during the question period.

Mr. McCleave: On a point of order, Mr. Speaker, I directed this question to the Prime Minister some weeks ago and he suggested I should ask it of the Minister of Manpower and Immigration. I believe it is of some

urgency. It could be answered simply by a "yes" or "no".

Mr. Speaker: If the minister wishes to answer "yes" or "no" I might allow the question.

WOMEN

REQUEST FOR INFORMATION CONCERNING PRESENTATION OF ROYAL COMMISSION REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Secretary of State or the appropriate minister. Could the hon. gentleman advise the house when the report of the Royal Commission on the Status of Women will be available? It appears to me that although spokesmen for many women throughout the country have given some indication of the existing inequalities which affect their lives, the evidence includes many submissions which affect all facets of Canadian life involving men, women and children.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I would be glad to inquire into this matter and report to the house.

COMMUNICATIONS

BRIEFS IN OPPOSITION TO BELL TELEPHONE RATES INCREASE

Hon. Gérard Pelletier (Secretary of State): May I take this opportunity to reply to a question asked on Friday by the hon. member for Broadview. I think I should state the following on behalf of the Postmaster General, who is still indisposed.

No brief, by or on behalf of the government, has been filed with the Canadian Transport Commission in connection with Bell Canada's application for approval of certain tariff adjustments. The commission is a quasi-judicial body with the power to make decisions on applications of this nature, pursuant to legislation passed by this parliament. In making its decisions the commission is obliged to ensure that all tolls shall be just and reasonable, and has the power to obtain such information as it deems necessary for these purposes.

It is my understanding that several parties have filed briefs in opposition to the Bell application and that these parties may be heard as well as the company.

Beyond this, the Governor in Council has specific optional powers and responsibilities provided for in legislation. These powers include the ability to vary the commission's decisions and to handle appeals. If, after the commission has determined this particular case, it should develop that government initiative is desirable, hon. members can rest assured it will be fully considered and appropriate action taken.

ATLANTIC DEVELOPMENT BOARD

REQUEST FOR NAME OF NEW CHAIRMAN

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is directed to the minister of the Crown who answers to parliament for the operation of the Atlantic Development Board. In view of the fact that the term of office of the present chairman of the board expires on Friday of this week, and since under the act he is not eligible for reappointment, can the minister tell the house whether a decision has been made with regard to a new appointment and, if so, who the new chairman is to be?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, no one has been appointed to replace him. That matter will be discussed at the cabinet meeting this week.

[*English*]

OFFICE OF THE PRIME MINISTER

POSSIBILITY OF DROPPING REGIONAL DESK SYSTEM

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, now that the Prime Minister has returned from his far-flung foreign adventures, is it his intention to drop the regional desk system which has been described by one Liberal backbencher as a high class patronage system?

Mr. Speaker: Order, please.

Mr. Paproski: May I ask what is wrong with that question, Mr. Speaker?

Mr. Speaker: I can see many things wrong with that question. First of all, I do not think the hon. member is referring to a matter which is under the administrative responsibility of the Prime Minister. I have serious doubts about its being in order. However, if the hon. member thinks it is urgent and wishes to attempt to place it on the order paper, I might have a closer look at it then.

RURAL DEVELOPMENT

ARDA—ONTARIO—CUT-OFF OF DRAINAGE FUNDS

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Forestry and Rural Development. In the light of all the submissions received by western Ontario members from municipalities in connection with the cut-off applied to ARDA funds for drainage, does the minister intend to hold further negotiations with the provinces in an effort to alleviate the present difficulties produced by the lack of assurance that further funds will be provided by the federal government?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as you know, under the ARDA program the provinces make recommendations to the federal government which approves them.

With regard to the particular case mentioned by the hon. member, I shall look into the matter; I might be able to give more information to the house sometime later on.

[*English*]

Mr. McKinley: Could the minister not assure these people that at least the original commitment of a five-year period given to the provinces in this respect—I believe there is one more year to go—will be respected?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, to my mind it would not be wise to give at this time an assurance with regard to something I am not fully familiar with.

I shall look into the matter and within the next few days I will probably be able to give a more complete reply to the hon. member.

[*English*]

EXTERNAL AFFAIRS

BIAFRA—SITUATION FOLLOWING STATEMENT OF CHIEF AWOLOWO—DAYTIME RELIEF FLIGHTS

Mr. David MacDonald (Egmont): My question is to the Prime Minister, Mr. Speaker. In view of the seeming conflict between the statement made last week by the Prime Minister and the statement made by Chief Awolowo that there would be no negotiation in the absence of certain preconditions, can the right hon. gentleman clear up the position of the Nigerian government in connection

with the situation in terms of his own announcement last week?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would be glad to attempt to do so. I believe the confusion which arose in the understanding of some members of the opposition derived from the fact that Chief Awolowo did give a commitment to certain heads of delegations in London that he would meet while in London, without any conditions, representatives of the Biafran regime. The further statement to which reference has been made was relevant to meetings which might be held at some future time back in Nigeria or elsewhere. The chief was stating that while in London he would be prepared to meet, without any preconditions, the representatives of the Biafran regime. In the event, the representatives of that regime refused to meet with him at that time.

Mr. MacDonald (Egmont): Are we to understand that Chief Awolowo attached a fuse to his commitment at that time? Now that the Canadian representatives have been talking with Biafran officials I wonder whether they are in fact only considering the possibility of cease-fire discussions or whether they have attempted to clear up some of the communications difficulties which have existed with regard to possible daytime relief operations in that part of Africa?

Mr. Trudeau: Did the hon. member ask whether he had attached a fuse? I am afraid I do not see the significance of that question.

Mr. MacDonald (Egmont): As to the second part of the question with regard to the possibility of daylight relief operations in Biafra, have discussions been held?

Mr. Trudeau: The position as we learned it in London was the same as we have reported to the house on previous occasions. The Nigerian authorities have agreed to allow daylight relief flights to go through but the Biafran authorities refuse to contemplate such flights.

Mr. MacDonald (Egmont): On a point of clarification, Mr. Speaker, is the Prime Minister aware of the lengthy statement that has been made by Colonel Ojukwu and gentlemen of this kind, and has he not received confirmation of the statement from the Biafran authorities in London?

Inquiries of the Ministry

BIAFRA—CURTAILMENT OF ARMS SHIPMENTS NIGERIA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in connection with the matter we are discussing, may I ask what representations, if any, the Prime Minister made to the British government in connection with curtailing the shipment of arms to Nigeria as a step toward a cease-fire?

Mr. Trudeau: Mr. Speaker, I told the British Prime Minister and the British minister of foreign and commonwealth relations what I had said in the house here, that Canada felt it was a mistake for any country to ship arms to this theatre of war. To this I received the answer that the British government has given, I believe, on other occasions; that if they were to agree to any official cessation of arms shipments this would not preclude arms smuggling or arms running, which goes on now. The result of such cessation would perhaps be only to have the unofficial suppliers of arms to Biafra continue shipments, thus piling up arms there.

EXCHANGE OF REPRESENTATIVES WITH VATICAN—REFERENCE TO STANDING COMMITTEE

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Secretary of State for External Affairs, in connection with a subject discussed earlier on motions, whether he will consider referring the question of the exchange of representatives with the Vatican to the external affairs committee?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government has no objection if this matter is contained in the terms of reference of the committee.

POST OFFICE DEPARTMENT

INCREASE IN BOX RENTALS

Mr. Cliff Downey (Battle River): I was beginning to worry, Mr. Speaker, in case I had undergone some strange metamorphosis which had possibly rendered me invisible. I have a question for the Acting Postmaster General. Can the acting minister explain to the house why the cheapest form of mail delivery, the post office box, has been doubled in price while the more expensive form of mail delivery to residential letterboxes and rural route boxes pays only the additional postage that is required under the new rates?

[Mr. MacDonald (Egmont).]

Mr. Speaker: Order. The hon. member is not only visible but also audible, and he should place his question on the order paper in order to make it readable.

GOVERNMENT ORDERS

CANADA EVIDENCE ACT

AMENDMENTS RESPECTING ADMISSIBILITY OF EVIDENCE

Hon. John N. Turner (Minister of Justice) moved the second reading and reference to the standing committee on justice and legal affairs of Bill S-3, to amend the Canada Evidence Act.

He said: Mr. Speaker, the laws governing the admissibility of evidence are of vital importance in the administration of justice. Therefore it is important that these laws and rules of procedure themselves be vital. The provisions contained in the Canada Evidence Act and the evidentiary provisions scattered throughout other statutes of Canada are merely the tip of the iceberg. Canada inherited most of its laws of evidence from the common law of 19th century England, and as a result of a combination of factors, including the doctrine that the courts generally consider themselves bound by prior decisions, by precedent, and that their function is to interpret and apply the law rather than to make it, the general law of evidence in this country has tended to remain as frozen as the iceberg, while the substantive civil and criminal law has been developed largely by statute to keep in pace with changing social conditions.

This year I am initiating a general overhaul of the Canada Evidence Act which I hope will result in major reforms to that statute. In the course of that review I hope to consider whether the broad ends of justice might not better be served by a re-examination of the provisions regarding competence and compellability of witnesses as between husband and wife which are contained in section 4 of the act, whether the law of evidence dealing with confidentiality of communications or privileged communications deserves further examination, and whether accused persons who testify in their own defence should be protected from disclosure of prior convictions in some such way as they are under the Criminal Evidence Act, 1898 of the United Kingdom. In short, there are a good many areas of evidence, particularly in the realm of self-incrimination, to which I believe we have

to devote a full review of the law based on modern principles.

In the meantime the scope of this particular bill is limited to certain amendments to the Canada Evidence Act which I think ought not to be delayed. The most significant of these I propose to outline very briefly without, I hope, trespassing on the rules of the house.

The bill is designed to remove a completely awkward, rigid and unnecessary limitation in relation to the calling of expert witnesses. The present section 7 of the Canada Evidence Act provides that a party to a legal proceeding may call up to five expert witnesses without obtaining leave of the court. The effect of subsection 2 of this section is that, no matter what the justice of the situation requires as the trial develops, a party is absolutely precluded from exceeding the limit of five expert witnesses if he has not taken the precaution of getting the leave of the court before he called the very first witness. This bill proposes that that limiting subsection 2 be repealed completely. The position will then be that a party will be able to call more than five expert witnesses if he appeals to the court's discretion at any time during the trial.

The bill is also designed to assist the courts in reaching the truth by removing an obvious impediment in the way of a proper assessment of the credibility of witnesses. At present a party who produces a witness is not permitted to prove that the witness had previously made a written or oral statement inconsistent with the testimony that he is giving the court unless that witness, in the opinion of the court, upon the application of the party who has introduced the witness' testimony, is adjudged adverse.

For the benefit of those who do not practice law as a profession, or did not do so before entering the house, I should mention that the word "adverse" here means that a witness has a hostile animus, or a hostile bearing or intent, toward the party who calls him and is not prepared to give his evidence fairly, or with the appropriate desire to tell the truth.

The defect in the present law is that the courts have generally held that in deciding whether or not the witness is adverse they are not entitled to consider any previous statements made by the witness. They have restricted themselves to considering such matters as the demeanour of the witness, the way he is testifying in the court, and so on. The indefensible result of all this is that the highly polished witness, the highly polished prevaricator, frequently dazzles the court into deciding that there is absolutely no justification for holding that he is adverse.

Mr. Baldwin: We see that sort of thing here in the house.

Mr. Turner (Ottawa-Carleton): The hon. member for Peace River is trying to divert me into a political rather than a legal context. He has been in court many times, as has the hon. member for Calgary North (Mr. Woolliams). Frequently a witness can convince the court with a razzle-dazzle performance that he is not adverse. The more glib the deception, the less likely the detection.

• (3:50 p.m.)

In these circumstances it is proposed to amend section 9 of the act to empower the court to permit a party to cross-examine his witness as to a previous inconsistent statement, but only if that statement is reduced to writing, so that the court can consider the results of the cross-examination and, on the basis of that previous inconsistent written statement, decide whether the witness in fact is adverse. Such cross-examination would, of course, be limited to that previous written statement. If the court decides the previous statement is not inconsistent with the present testimony, that is the end of the matter. But if there is an inconsistency, then the party who calls that witness may discredit the witness by contradicting him with the statement in question or any other previous oral or written statement, or may establish from the testimony of the witness under oath that all or part of the previous statement represents the truth.

I think hon. members should also observe that the bill extends to other financial institutions the provisions of section 29 of the act which is at present limited to banks. Section 29 derives from the English legislation of the 19th century which was designed to avoid disruption in business affairs from the search, seizure and production of original books and records of banks in legal proceedings. The section, for example, permits the use in court of copies of bank records and provides for proof by affidavit of records and certain other facts. The scope of the section will be extended to financial institutions as defined in the bill.

In addition, a new provision is also added to section 29 of the act. According to a recent decision, bank records and documents are not, except in very limited circumstances,

subject to the ordinary search and seizure provisions contained in section 429 of the Criminal Code. The amendment proposed in this bill will authorize search and seizure, provided the warrant is expressly endorsed as not being limited by this section.

Another significant amendment is designed to unfetter the law from some of the unrealistic technicalities which have resulted from the hearsay rule. Traditionally, the general rule has been that assertions of a fact or opinion can only be presented by the person or witness having direct knowledge of that fact in order that the soundness of the presentation and the credibility of the witness can be tested by the court and the adverse party by way of cross-examination. I have stated the general rule broadly in layman's terms and I hope that my definition will meet with the approval of learned counsel in this chamber. There are many exceptions to it which grew up under the common law or were created by statute, and this would provide another exception to the hearsay rule.

A few years ago in England it was held that the court has no power to create or recognize further exceptions to the hearsay rule. This decision, which resulted in legislation in 1965 in England, has been followed in at least two reported cases in Canada. It is therefore apparent that the law in this country has fallen far behind the major changes which the computer age has brought to business methods.

Frequently records are kept either entirely or almost entirely by mechanical means, and in such cases it may be difficult and perhaps impossible to produce a witness to testify to the facts of a particular case, as distinct from testifying about the mechanical system under which transactions or events are recorded. Even in the case of records kept manually it is frequently impossible to trace the person, assuming he is still alive, who made the entries originally in the business records. A useful source of evidence is thereby excluded from the courts. It is little wonder that intelligent laymen conclude that, far from being blind, the goddess of justice is looking the wrong way.

I consider that, in general, the law of evidence should be moving away from the rigid rules of admissibility toward assessment of the cogency of logically relevant facts. If the facts are relevant, what is the best way to introduce those facts without there being any unfairness to either side? Accordingly, Mr. Speaker, this bill would, subject to certain safeguards, render business records as defined in the bill generally admissible and would entrust the courts with the discretion of assessing the probative value of those documents.

Finally, Mr. Speaker, the bill provides also a minor but useful amendment which it is hoped will avoid the present confusion and uncertainty that arises where an affidavit on a purely provincial matter is taken in the form provided by the Canada Evidence Act.

The only feature which these amendments have in common is that they would modernize the law by removing outdated, awkward and unjustifiable impediments to the full and convenient disclosure of relevant facts in legal proceedings. I emphasize again that these are only first steps in dealing with the many problems in the field of the law of evidence which I will be considering in the review I have discussed.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, under the new rules we are really discussing a bill which, after the second reading stage, will go to a standing committee to be examined. In that committee we shall have the opportunity to study the proposed changes. I thank the minister for outlining briefly the contents of the bill which are to be studied in committee.

The minister may have some reason for saying a second time that, "I will do certain things in future, one of them being that I shall review the Canada Evidence Act." He has made similar remarks about the Criminal Code. From my reading of a certain article in *Maclean's* it is evident what changes he contemplates making in the Criminal Code. The changes in the Canada Evidence Act in many ways are analogous to the proposed changes in the code. It seems to me that the best procedure would have been to allow the Standing Committee on Justice and Legal Affairs to examine the proposed changes in order that the entire Canada Evidence Act could be considered.

Unless the minister has not disclosed everything he ought to disclose I fail to see, after having heard his speech, what the urgency is in bringing about these changes. One amendment deals with hostile witnesses. I will not repeat the minister's definition of a hostile witness, nor will I repeat in what circumstances the court can rule a witness hostile. Yet what will the proposed amendment really do? I think we should look at it carefully. Certainly it will not help the accused. Will it

not help the Crown? I am only asking these questions and not prejudging the issue.

Mr. Turner (Ottawa-Carleton): The amendment will help both sides.

Mr. Woolliams: Well, I shall discuss that in a moment. As I say, we ought to look carefully at the amendment since in my view it will make the Crown, which already is powerful, more powerful at the expense of the accused. It is well known that in some criminal cases before the courts the accused tenders no evidence. The onus is on the Crown. The defence counsel cross-examines the Crown witnesses and if the Crown has not discharged the onus and established a prima facie case, out goes the charge. Who is really concerned and worried about this? Has the minister had submissions from the local Attorneys General of the various provinces? Has somebody in his department become concerned about prosecutions they will not be able to win because of some weakness?

• (4:00 p.m.)

Mr. Baldwin: Maybe there are some pending now.

Mr. Woolliams: Maybe there are some pending now, as the hon. member for Peace River (Mr. Baldwin) has said, and I would not be a bit surprised.

Mr. Turner (Ottawa-Carleton): The Canadian Bar Association.

Mr. Woolliams: I know the Canadian Bar Association went a long way. I am not criticizing it, but wait until we come to some of the other amendments. If one happens to be a corporate lawyer one looks at it differently from a Crown counsel. I am not saying that either attitude, in the field of philosophy or of jurisprudence, is right. It is all right for the minister to refer to the Canadian Bar Association, but I am not always complimentary to the associations to which I belong. I do not know if my friends to the left would agree with me but sometimes that association gets a little close to being a closed shop.

I am a little concerned about what will be done after the preliminary hearing of a criminal indictable offence. The police have a very good memory. But in the heat of a trial in the high court, when emotions get a little high, the truth comes out and it is discovered that the Crown has not got as good a case as originally wallpapered. As a result what they want to do is ask whether the witness did not make such and such a statement, and then probably depend on the definition of a hostile witness.

A case may involve prosecution by a layman. We have seen laymen with great imaginations. I remember one case where a lady had been charged with causing a disturbance because she and a boy friend had been a little noisy after taking some liquor in a tent along the Assiniboia river. The question came up whether or not it was a disturbance and in giving his judgment the judge said, "I do not think the complainant was so worried about what she heard and saw as she was about what she did not hear and did not see." It may be that changing this section in this regard is not all that altruistic and commendable. Once again it is building an all-powerful state, an all-powerful Crown against a bankrupt accused. Most of the people who are charged with indictable offences do not belong to the affluent or just society.

The next question I am concerned about is the giving of evidence by affidavit in cases of banking and other financial institutions. I hope the committee will take a sincere look at this amendment. The clause reads:

> Where a cheque has been drawn on any financial institution or branch thereof by any person, an affidavit of the manager or accountant of the financial institution or branch, sworn before any commissioner . . . shall be received as prima facie evidence—

I am always a little concerned about affidavit evidence. I always like to see the right to test the truth retained. The art of cross-examination is testing the truth.

We have all seen affidavits in civil matters. A client goes to a lawyer and completes an affidavit. Then another lawyer draws up an affidavit on the other side of the issue, and one wonders whether the two situations described are identical. The only way to get the right information is to examine carefully the terms of the affidavits, and to do that you might as well examine the persons who have sworn the affidavits. I want to make certain that when changes like this are brought in the right to test the truth will remain so that we can have conformity with the truth and fully verify the indisputable facts. We want honesty, integrity and truthfulness based on recorded information.

The minister may say that banks do not make mistakes. I wish to give an illustration. Two people with identical names were living in the same district. One had $12,000 in a certain bank. I am not going to name the

bank because I do not want to spoil their business, but the bank was negligent. The second fellow with the same name had an account in the same bank with $21 in it. The fellow with $21 died. His will was probated. Probably the signatures of the two men were never compared in the bank. The estate got the $12,000 and the fellow still alive was left with only $21. He had not written any cheques for a number of years, but shortly after this occurrence he decided to return to Scotland and wanted to draw out some money for his trip. He then found he had only $21 in his account instead of $12,000. The mistake had been made by the bank. The conclusion I am drawing is that these great bankers can also make mistakes. Only under cross-examination can such errors be pointed out to a judge or jury, and that is why I am a little concerned about evidence going in by affidavit.

We know that officers of a company can refer to documents. That is the law today. A responsible officer of a company can give certain facts from reviewing certain even hearsay documents and have them admitted either in a criminal or civil case. There are no problems in that regard.

In his speech the minister threw out these amendments to us and made it sound like the proposed changes were coming from heaven. I thought the Crown might have gone a little farther to help out the subject.

I want to refer to a particular case, and I have never been quite sure whether the Exchequer Court has followed the decision laid down. It is the case of the City of Saint John *v.* Irving Oil Company Limited. What is it all about? It is very important in regard to the law of evidence. The case deals with the expropriation of land.

Mr. Turner (Ottawa-Carleton): What is the citation?

Mr. Woolliams: It is 1966 Canada Supreme Court Reports, at page 592. You will find it down at the bottom of the page. What is this all about? In order to value land that is expropriated you retain expert appraisers to come up with a value. They go out and talk to A, B, C, D and E about sales of similar land in the area under similar circumstances and of similar commercial value. From those discussions they arrive at an opinion as to what the land is worth.

In the last court case I had I was challenged on the ground that although the opinion evidence was admissible it could be disregarded because unless I called A, B, C, D, E, F, G and H—all these people—it would become straight hearsay. But fortunately the judge in that case had made a decision on this matter previously. That is why I am always thankful for the Supreme Court of Canada. The higher the court you go to, the more just it becomes. The judgment says:

> The nature of the source upon which such an opinion is based cannot, in my view, have any effect on the admissibility of the opinion itself. Any frailties which may be alleged concerning the information upon which the opinion was founded are in my view only relevant in assessing the weight to be attached to that opinion, and in the present case this was entirely a question for the arbitrators and not one upon which the Appeal Division could properly rest its decision.

This court really said, "Look, arbitrators and other courts have based their findings on valuations on opinions based on hearsay evidence. They have not scrutinized the hearsay evidence and examined and measured the weight of the opinion evidence for it to become admissible. That may seem quite a mouthful but basically it boils down to this, that I do not want to see that in the statutes. I read this opinion to the judge before whom I appeared and he then became silent. There is nothing worse to a counsel than a judge becoming silent. You do not know whether he is with you, and the final judgment may not be as good as your client anticipates.

Surely in a day when the Crown is reaching out with stronger tentacles to expropriate land for various reasons, a poor subject who has only a little piece of property and has to hire appraisers should not be put to the cost of calling as witnesses all the people who gave various opinions to the appraisers. If someone had an expert who had examined 110 sales in order to come to an opinion on a certain problem he might think it necessary to call all those people. If the Crown were really concerned—and I am sure the Department of Justice is aware of this situation—here is a case where the Crown could move in to help the subject. There is talk about waiving the hearsay rule. Here is one field in respect of which the Canada Evidence Act should be reviewed. I will ask the minister a question before the committee. I understand that ministers become witnesses now. It is nice to find out some of these things.

• (4:10 p.m.)

Mr. Turner (Ottawa-Carleton): Would you consider me a hostile witness?

Mr. Woolliams: No. You are one of the ministers who answer questions frankly. This is a case in which the hearsay rule is being set aside. The minister could have gone farther.

Let us take another matter which has bothered lawyers for a long time. A case either is or soon will be before the courts involving a fellow who devised a very ingenious plan to get rich by running a country elevator—of course quotas are low these days—and issuing cash tickets in the name of farmers who never brought in any grain at all. If the farmer did not turn up he then forged the farmer's name. These farmers are being called to give evidence that they did not deliver grain. Many of them do not want to appear. This question has been raised by some criminal lawyers. People who give evidence can incriminate themselves if they do not have the protection of the Canada Evidence Act. The farmer might get up on the stand and say that he met the elevator man on Wednesday, that they were a little dry and wanted to get a bottle of whisky from the liquor store but did not have any money because the government is not increasing quotas, so they devised this plan.

The farmer wants to come in and clear his soul even if he does not clear the elevator man. He might then be charged with conspiracy although he has not made any statement to the elevator man. Basically he is home free while the elevator man is on the griddle, but as soon as he goes on the stand he becomes concerned. He is not really worried so much about the elevator man but is concerned about making a statement which may put him in the same position as the elevator man. If we look at section 5(2) of the act we see that it says:

> (2) Where with respect to any question a witness objects to answer upon the ground that his answer may tend to criminate him, or may tend to establish his liability to a civil proceeding at the instance of the Crown or of any person, and if but for this Act, or the Act of any provincial legislature, the witness would therefore have been excused from answering such question, then although the witness is by reason of this Act, or by reason of such provincial Act, compelled to answer, the answer so given shall not be used or receivable in evidence against him in any criminal trial—

That means in any other criminal trial. Some lawyers have raised this problem. Some judges have also taken the point of view that it refers only to answers to questions. One could get up and say to the magistrate or judge that the witness is about to say something which will likely incriminate him because he wants to make a clean breast of it. He is supposed to tell the truth under oath. In such a case I would ask that all the questions asked and answers given in that sequence of facts not be used in any other criminal case against him or in any civil action by the Crown or by anybody else. That would be doing the job. The special crown prosecutor under the drug act takes the position that in respect of every question and every answer one must ask for protection. Some judges have gone along with this. It would be easy to clarify that by pluralizing and referring to questions and answers.

I mentioned the habit of land valuators, in arriving at land values in the case of sales, of going to various people. I think there should be a clearcut provision changing the hearsay rule in this regard along the lines of the very wise decision of Mr. Justice Ritchie in the Supreme Court of Canada. I am sure this is what he meant, but it could be clarified. This would be a good point to make in respect of evidence of people called on behalf of the Crown or the defence.

In respect of the other matters in the bill I do not see very much change. I agree that we are moving into the age of computers and that computers have their place. But I am concerned about whether we can ever get justice without the human element which is not found in a machine that shoots out facts and comes up with decisions. The fact is that the art of cross-examining a witness to determine whether or not facts will hold up is most important. In this way the judge can look at both sides of the fence.

I recall a murder trial where the police officer had an 11-page statement. I mention this example to show how important cross-examination is. He had an 11-page confession of some type by the accused who was charged with the murder of his wife. The 11-page statement was composed of questions asked by the police officer and the answers by the accused. In cross-examination the police officer was asked whether all the questions asked the accused and all the answers were contained in the 11 pages. He said yes. I then asked the police officer whether it was not strange that although he obtained an 11-page statement he did not once ask the accused, "Did you kill your wife?" The police officer told me that he did ask him but he forgot to put it down. One could become a little concerned about something like that. Then I asked him what the answer was. I could not ask that question before a jury but I could do

so at the preliminary hearing because I wanted the worst to come out at that time rather than at the trial. I found that the answer he gave was different from the one he gave at the inquest. Then at the trial by judge and jury he gave me a different answer again. So I had three different answers to a question that was not contained in the statement although the police officer had stated that everything he had asked and the answers thereto were contained in that statement. This was an answer that was so important he could not forget it and yet he gave three different answers. So when you take away the art of cross-examination you take away the purity of justice. I think these things are not done to help the citizen but to speed up and expedite the work of the Crown.

Mr. John Gilbert (Broadview): Mr. Speaker, we in the New Democratic Party welcome the opening statement of the Minister of Justice (Mr. Turner), in particular this statement that it is his intention to have a general overhaul of the Canada Evidence Act in the near future. When one remembers that the recommendations in respect of Bill S-3 originated in 1960 with the criminal law section at the uniformity conference and were re-examined in 1966 one would hope that the Minister of Justice would open up this bill for a general overhaul. I would have liked the Minister of Justice to tell the house that he had set up a law reform commission to study all the laws on the Canadian statute books, and that it would be a standing commission composed of experts not only in the law but in other related fields so that Canadian law could be updated.

• (4:20 p.m.)

The best example in that regard is the existence in Ontario of a law reform commission which examined expropriation procedures in depth with the result that the province recently passed the new Expropriation Act of Ontario. But we are dragging our feet even on expropriation matters in the federal field. I hope that the Minister of Justice will not only initiate a general overhaul of the Canada Evidence Act but will also set up a law reform commission to study all federal statutes and bring forth measures to update those which need revision.

It was rather pleasant to hear the hon. member for Calgary North (Mr. Woolliams) refer to the Minister of Justice as a gentleman, which means that the minister will not be considered a hostile witness when he appears before the Standing Committee on Justice and Legal Affairs. This probably has relation to the statement by Miss LaMarsh that she considers the present Minister of Justice to be a man who fits well in the establishment. I hope he will go beyond that and become one of the avant-garde in making changes in the criminal law.

I was very disappointed that the minister did not incorporate in the omnibus bill the principle of the bill I introduced in respect of abolishing corporal punishment. I have high hopes that he will bring forth another measure after that bill has been disposed of which will incorporate some of the other new changes most Canadians have in mind.

Bill S-3 has five main divisions. The minister has dealt generally but rather succinctly and perceptively with these different divisions. The first is the repeal of subsection 2 of section 7 of the Canada Evidence Act which, as he said, will do away with the necessity of counsel bringing a motion at the commencement of a case for permission to call more than five expert witnesses. As the law will now stand, discretion will be given to the presiding judge. One wonders whether such discretion will have to be exercised at the commencement of or during the trial.

Mr. Turner (Ottawa-Carleton): At any time.

Mr. Gilbert: The minister says at any time during the trial. The question arises, why should the discretion reside with the presiding judge? Why should not counsel for both sides have the opportunity to call as many expert witnesses as they require? One can appreciate the problem when a case may be weak as it develops and counsel for one side might decide to call an expert witness. This would place the presiding judge in a rather difficult position in ruling whether he should be permitted to call another expert witness, more especially after having heard a good part of the evidence. I ask the Minister of Justice to reflect on some of these problems in respect of expert witnesses.

The second division the minister dealt with involves adverse witnesses. The key to this is that witnesses can be cross-examined in regard to statements in writing they have previously given. What is the applicability of this particular measure? In criminal cases there are statements made by the accused. One would hope that they are voluntary statements, and the testing that point is done in a trial within a trial called a voir dire. On such

occasions Crown counsel presents a statement to the accused and asks him to identify his signature.

Again, in determining the voluntary nature of a statement, where does the written aspect come in. It would have to come in with regard to witnesses in a particular criminal case, be they Crown of defence witnesses. In any case I cannot recall the Crown having its witnesses sign statements that they give to police officers. It may be that this is the case in other jurisdictions, but in Toronto I cannot recall detectives requiring crown witnesses to sign statements. One wonders whether this is to be the commencement of a practice by detectives to ask witnesses to a case to sign the statements they have given for the possible purpose of treating them as adverse witnesses if something goes wrong at the trial. Perhaps the minister would look into this.

Another aspect with regard to written statements might arise in negligence cases where you have insurance adjusters interviewing witnesses. If an adjuster speaks to a witness, reduces what he says to a written statement and asks the witness to sign it, one would hope that this type of statement would not be acceptable. Many Canadians are not apprised of the status of insurance adjusters, and we may be placing ourselves in the position of strengthening the position of adjusters. In an advanced country like Canada one would hope that we would eventually get rid of all negligence cases in the courts by taking a forward look and adopting the kind of legislation the province of Saskatchewan has in respect of motor vehicle cases. I ask the minister to be very wary about written statements produced by insurance adjusters.

The third area covered by the minister had reference to affidavit evidence in respect of copies of entries in books of record kept in any financial institution. So far as legal proceedings are concerned, these would be received as prima facie evidence. One appreciates that banks and other financial institutions are so busy these days that they are not anxious to send their bank managers to court to prove a signature on a cheque or any other document. In the past the law has been that banks, by filing an affidavit of the appropriate person, could provide prima facie evidence. This is now being extended to cover financial institutions, the test being that they are institutions which accept money deposits. I think this is a good step forward. There is no reason that certain officials of these institutions should be put to the bother of attending in court to give this kind of evidence in view of the fact that it is only prima facie evidence. It would allay some of the fears expressed by the hon. member for Calgary North on this problem if he would consider that it is only prima facie evidence. If other evidence comes forth which rebuts the affidavit evidence, that evidence does not stand in a strong position.

• (4:30 p.m.)

The fourth aspect of this bill covered by the minister is new. It is intended to facilitate proof of matters contained in records made in the usual and ordinary course of business. Again this seems reasonable when one realizes that we are in the age of the computer and other modern business techniques, including microfilming, recordings and so on. I think we should update our laws in respect of this type of evidence. As the minister said, one has to look at the probative value of any evidence. Surely we should be up to date with regard to the tendering of such evidence and should not waste a great deal of time on the question of proof, which at times is very difficult. This matter is in the area of statutory declarations. The bill is intended to make uniform a statutory declaration which would remove any doubt about whether the form of the statutory declaration is in conformity with the Canada Evidence Act or any provincial statute. I think this is a step forward.

At one of our committees—I think it was the committee on banking and commerce—the legal representative said that these five areas are those in which the government considers we should take action now. I am inclined to agree with him. I was rather impressed when the minister said there is a great deal of in-depth study to be carried out with regard to problems as between husband and wife and confidential relationships between solicitor and client, accountant and client and doctor and patient. This also applies to evidence given by an accused in other cases. If we embrace all these things—

Mr. Baldwin: What about the member of parliament and his constituent?

Mr. Gilbert: Mr. Speaker, the hon. member has just made a most laudable interjection with regard to the confidentiality that exists as between a constituent and his member of parliament. I am sure the minister will take that matter into account, especially having regard to the hon. member who asked the question.

Mr. Turner (Ottawa-Carleton): The new politics is an open book; there is nothing confidential.

Mr. Gilbert: The minister has said that the new politics is an open book. If it is an open book, and we apply the test of the performance of the Prime Minister (Mr. Trudeau) at the Commonwealth conference, every page would appear to be blank. These are some of the matters that I hope the Minister of Justice will take into consideration in the general overhaul of the Canada Evidence Act. More important, I hope he will set up a law reform commission to study the law in all its facets, and will bring forth a freshness and updating such as in his best moments he is capable of doing.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I do not want to speak at length on Bill No. S-3. I would rather get at once at the heart of the matter and make pertinent remarks, in order not to prolong the debate unduly.

Mr. Speaker, the Evidence Act was enacted 75 years ago and it has never been amended since. Several members in the other place expressed dissatisfaction when the present bill was considered by the committee on banking and commerce. Why has the legislation not been adapted to our evolving society over the years?

Conditions under which justice is applied are certainly not the same in 1969 as they were in 1893. A great many things and ideas have changed since. To be just a legislation must be able to adapt to various circumstances. It must take into account the whole situation, without omitting anything. It is the price we have to pay for a sound application of justice.

We had to wait 75 years before at last daring to change this legislation, to reconsider it and to adapt it, when any jurist knows that it is outmoded and a hindrance to the sound and efficient application of justice.

Before studying the present bill, I wish to tell the minister that we are dissatisfied it took so long. Of course, he is not entirely responsible for the delay since he has not always been Minister of Justice, but I suppose his predecessors cannot boast of having made any efforts to move "the iceberg", as the minister called it a few minutes ago. I think those ministers have been as motionless as the "icebergs" mentioned by the minister.

It is difficult for us, as it is for Canadians, to understand that such a situation could exist. We would be very happy if the Minister of Justice (Mr. Turner), whom we have always considered as a progressive man, who looks forward and not backward, would explain the situation to us and would tell us why we must be satisfied today with amending the Evidence Act—and very limited amendment indeed—instead of changing entirely such an important legislation, on which rests in a way the efficient administration of justice.

The minister is aware, no doubt, that present social and technical conditions are not what they were in 1893 and that a complete review of the Evidence Act would certainly help improve the efficiency of our judicial system.

I therefore want him to give us the assurance that the law as a whole will be reviewed without further delay because we have already waited far too long.

Moreover, I feel, and I dare say, other hon. members feel the same about it, that the administration of justice is so important, that one should not be limited, when it comes to submitting the evidence, by all kinds of red tape. For instance, the act we are now amending, sets a limit on the number of witnesses, as if the full administration of justice could possibly be hampered when trying to set the blame.

Mr. Speaker, the old act did not allow each side more than five witnesses, save by leave of the court or of the judge. That obsolete provision sets limits and I wanted to emphasize the fact.

I am therefore all in favour of the amendment proposed in the present bill which simply removes such limits.

The old act, in my opinion, truly limited the administration of justice.

Clause 2 amending section 9 of the act is another example of the yoke imposed by the act, and it is high time to change and adapt it to our present social and technical conditions, which certainly are different from those of 1893. Until now, as senator Walker put it so well, and I quote:

> You could call your first witness thinking that he was your best witness because you have a signed statement from him. But, lo and behold, you find that somebody has got to him in the meantime. (...) And when you call him, he gives an entirely different story from the one he has given in the signed statement. (...) You are taken by surprise, you can appeal to the judge, but nothing can be done.

Those are the words of the senator, who has a long experience in this field.

Here therefore is another example of a limitation that justice cannot tolerate unless you want to make of this very justice a matter where money, blackmail and influence rule.

Mr. Speaker, we cannot but agree with the amendment proposed by Bill No. S-3.

In order not to take up too much time, I shall limit myself to making comments on two clauses. As for the others, they too are excellent, especially the one that extends the present law to all financial institutions, and not merely to the banks. We all know how our economic situation has evolved. We trust that it will be recognized that the same goes for our monetary situation and that Creditiste measures will be taken. Here again, we could dwell at length on the matter, Mr. Speaker, and prove that the section to be amended constituted a limitation to the application of justice and its processes. Indeed, I wish to congratulate the honourable minister and the mover of the bill, introduced in the Senate, for their praiseworthy and necsesary initiative. I wish to remind them, before bringing my remarks to a close, that we wish to be assured that, in the near future, the whole Canada Evidence Act will be revised—not only parts of it—to insure better administration of justice.

Mr. Speaker, there is another matter, which is related to this one and could even be included in it, which intrigues me a good deal and to which I should like to draw the attention of the house for a minute or so.

I had a question put on the order paper asking the Department of Justice whether it intended to proceed with judiciary "decentralization" with a view to bringing the justiciable closer to the court; I was told in reply that the government was in the process of studying several ways and means which might be adopted with a view to decentralizing further the activities of the Exchequer Court of Canada.

I should like to ask the honourable minister to give us more details on that matter of decentralization of the judiciary administration. I feel that that reply was rather vague and, for that reason, unacceptable. I know he can give us more information on the ways and means through which the Canadian judiciary system could be decentralized. I believe that not only the Canadian Bar Association but all those interested in the administration of justice would be grateful to the minister if he was to give us more details with regard to that matter since, at present time—we can come back to this later—the Supreme Court is truly an untouchable body.

Mr. Speaker, I bring my remarks to a close by congratulating the mover; I trust the bill will be adopted after having been studied seriously by the committee.

• (4:40 p.m.)

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I make a few comments and ask the minister a question? I do not know whether it is his intention to close the debate. Our position has been adequately put by the hon. and learned member for Calgary North (Mr. Woolliams), the hon. and learned member for Broadview (Mr. Gilbert) and the hon. and learned member for Lotbinière (Mr. Fortin).

Mr. McCleave: Learning goes a long way.

Mr. Baldwin: Yes, both here and in London. I would like to think that when we are dealing with questions relating to evidence and the Evidence Act the whole picture will be reviewed. I am sure the minister will recall when, as a law student, he was directed to study "The Art of Cross-examination" by Wrottsley, and later went into the police courts from time to time and saw there the application of the great principles of justice where 95 per cent of the people of Canada meet the criminal law at first instance. I think he will have observed that through the courts and the judges, the magistrates, the judges of the county courts and the judges of the Supreme Court, there are fashioned on the anvil of experience the instruments which we must have and preserve for our system of jurisprudence to ensure that the rights of the citizen come first.

Two of these proposals, one under clause 2 and the other under clause 4, have the effect, I think, either of nullifying or of departing from the rules of practice with relation to evidence which have been incorporated in this country by the application of the British common law and have been the subject of judicial declaration. Merely because they were sound a hundred years ago does not necessarily mean they are sound today. However, it is my experience, after some 40 years in and out of the criminal courts, that a person occupying a judicial position has a better opportunity than anyone else of determining the factors which must be brought to

play in the reinforcement by judicial decision in this country of these two particular rules.

One is that a witness cannot be declared to be hostile unless the judge is satisfied in his own mind that the witness is in fact hostile and adverse, following which he may then be cross-examined. Very sound and practical rules for protecting the rights of the subject have surrounded this principle, which is not a statutory principle but one which has come to us over a great many years of practical application in the courts.

In the second place, I can understand why in our society today people may make declarations in writing, and this may even be extended to cover tape recordings at some time. I do not know whether the interpretation of the word "writing" is wide enough to cover this. I know that it does not have to be a writing signed by the person in question as long as it is something which has been reduced to writing. I throw this out as something that the committee may take up. Would this mean, for example, if a witness made a statement and a police constable or any other person with authority examined the witness and took the statement down in writing, that this would be considered to satisfy the wording in the proposed new clause, "a statement reduced to writing"?

Then there is a statement with regard to oral evidence in respect of a matter received in a legal proceeding involving a record made in the usual and ordinary course of business. If I remember correctly, there was always an additional safeguard inserted in the rules of practice in relation to such evidence that it must be made by a person required in the proper course of his duty to make the entry and reduce it to writing as the record. In other words, this requirement was made so as to safeguard against the possibility of self-serving statements being made by people who are not authorized to make them and to put them in writing. Thus it became part of the record of a business or an institution, as the case may be.

What I say is not to be taken as a reason for these clauses not being passed, but I do point out the very grave dangers which come about when we interfere by statutory amendment with rules of evidence which have proven effective safeguards and which we have used to surround our system of criminal justice over a great many years. I think we should look at it with the greatest care. It may well be that because of present jurisprudence these are essential. I am not really uttering it in the form of a caveat.

My final suggestion would be that the minister might take a look at standing order 62 (1) or (2), as the case may be, which provides that a committee may be instructed to consider a bill rather than the bill being introduced and read the first time. This is the sort of practice which could be very useful in relation to matters of this kind.

I recognize that in the past few years there have been problems facing the government in bringing forward various amendments which have been very much required and which we have omitted in the past. But I would suggest that the minister might wish to consider even allowing a draft statute to be sent to the committee under standing order 62, with authorization to the committee to proceed to bring in a bill based on the draft as well as, of course, the government's own recommendations. The committee would then be authorized to call not only for the evidence of department officials but for that of Crown counsel, people from the Attorney General's department, and distinguished counsel whose duty it is to appear for accused people and to maintain the proper perspective between the Crown and the accused. It might well be that, before the minister gets around to bringing in new changes, something of this kind could be done so as to have the benefit of the thinking and knowledge not only of the Crown and the Department of Justice but of people outside who are concerned for professional and sociological reasons to see that our system of justice continues to be what it has been in the past, the best in the world.

• (4:50 p.m.)

The Acting Speaker (Mr. Béchard): I must inform the house that if the minister speaks at this point he will close the debate.

Mr. Turner (Ottawa-Carleton): I rose on that assumption, Mr. Speaker.

[*Translation*]

My thanks go to those who have taken part in the debate this afternoon. I suggest that it would be more appropriate for me to answer questions before the committee which will be sitting soon, and I hope that the chairman of that committee will be able to convene its members in order to deal with this bill immediately.

[*English*]

I want to say that I appreciate the remarks made by all who have spoken this afternoon.

I wish to tell the hon. member for Broadview (Mr. Gilbert) that I am on record as being in favour of a national law reform commission. We are actively moving toward it; I mentioned it in a speech I made during the convocation at Osgoode Hall in Toronto last fall. I agree with the hon. member. I believe we need an objective, independent body constantly reviewing federal law, particularly the Criminal Code. The law of evidence would be a very useful reference to it, although we are proceeding internally as well and have set up a new research division within the Department of Justice so that the justice side of the department can be just as active as the Attorney General's side, in other words, so that the doves can be just as active as the hawks. We are moving along in that way.

I think the whole issue of the administrative law and the judicial review of administrative tribunals mentioned by the hon. member for Lotbinière (Mr. Fortin) could well become a reference to the law reform commission. When we are thinking of the Ontario law reform commission, it seems to me it is properly independent, but it may be that the Attorney General of the province does not have sufficient powers when it comes to putting references or subject matter before the commission. I will be reviewing the New York State law reform commission, the American Law Institute and, of course, the law reform commission which was set up by the United Kingdom two or three years ago.

I believe there is a further use for a law reform commission for Canada. It is to ensure that the civil law—

[*Translation*]

The Civil Code is integrated in our federal statutes, as well as the common law, and the law reform commission can compare those two legal systems perhaps more efficiently for the future than for the past.

[*English*]

When we are reviewing the general law, there is a great deal to be said for securing the close co-operation of the provincial Attorneys General. This measure affecting the Canada Evidence Act applies primarily to the criminal law. Both evidentiary rules and procedural rules affecting civil cases are a matter for provincial jurisdiction. There ought to be some harmony in the development of our evidentiary rules, and we have discussed this with the department of the Attorney General of Ontario. So perhaps we could embark on some sort of joint study.

The hon. member for Peace River (Mr. Baldwin) suggested that the Standing Committee on Justice and Legal Affairs might be given some initiating power in this regard. When the expropriation bill reaches the house, soon, I hope, I intend that it should be referred at an early date to the Standing Committee on Justice and Legal Affairs. The committee may call witnesses from across the country, members of the legal profession, representatives of municipalities and planning boards—

Mr. Gilbert: And the victims, too.

Mr. Turner (Ottawa-Carleton): Well, I think there are enough defence counsel to take care of them—but the victims, the average citizen, yes, as well.

At the moment I envisage a strenuous time for the Standing Committee on Justice and Legal Affairs. All being well, the bill before us will be submitted to it at five o'clock, as will the omnibus amendments to the Criminal Code which I shall be introducing here on Thursday. Then there are the estimates of the Department of Justice and the Supreme Court amendment bill.

Mr. Knowles (Winnipeg North Centre): It will not have any time for illegal affairs, will it?

Mr. Turner (Ottawa-Carleton): I should also mention the expropriation bill. The general question of wiretapping has already been referred to the committee. All in all I imagine the members of the committee will be doing a lot of good, constructive work between now and the end of the session. I look forward to my own appearance before the committee as soon as the chairman in his good judgment assembles it. I wish to thank the house for its courtesy this afternoon.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Béchard): Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

Canada Elections Act

NOTICES OF MOTIONS

CANADA ELECTIONS ACT

SUGGESTED AMENDMENT RESPECTING DISFRANCHISEMENT, ARMED SERVICES, PUBLIC SERVICE

Mr. Paul St-Pierre (Coast Chilcotin) moved:

That, in the opinion of this House, the government should consider the advisability of introducing a measure to amend the Canada Elections Act to prevent to a further degree the disfranchisement of numerous citizens who are absent from their residence areas on polling days, and to prevent the Armed Services being singled out as the only professional group whose political choices are made public, by mingling Armed Service ballots with other absentee ballots, and, for those purposes:

(a) to entitle an elector to vote on polling day for the candidate of his choice who is nominated in his Electoral District, by casting his vote in a polling station or Electoral District other than his own, using an absentee ballot;

(b) to provide that Armed Services ballots shall henceforth be called absentee ballots and be counted simultaneously with other absentee ballots without, however, altering the present method of balloting by the Armed Services;

(c) to provide further that members of the Public Services of Canada and their dependents stationed abroad shall be enabled to cast absentee ballots in the manner prescribed for the Armed Services.

He said: Mr. Speaker, we have just dealt with an amendment to the Canada Evidence Act. The spokesman for the Creditiste party, the hon. member for Lotbinière (Mr. Fortin), pointed out that the Canada Evidence Act had failed to move with the times and had become badly out of date. Essentially, my motion urging changes to the electoral law of Canada says precisely the same thing—that this law has become badly out of date. It is no longer in tune with present day realities and as a result a shockingly large number of Canadians are losing their votes in every election.

I am a little disturbed to find that my motion is the longest on the order paper. I have learned to be afraid of too many words. I recall one case in British Columbia where a senior lawyer was asked by another lawyer whether he should attempt an appeal. The older lawyer inquired: "how long is the judgment?" The younger one replied: "17 folios." The older lawyer then commented: "I don't want to read it; go ahead with an appeal; no man alive can be right for 17 folios."

If my motion is long, however, it is not really complex, and I think I shall be able to show to the satisfaction of this house that it has proven of practical use already in Canadian elections. In the national election just completed, 25 per cent of the eligible voters of Canada did not cast ballots. We have no way of knowing how many of these would have cast their ballots if the advantage of the absentee ballot form had been available to them.

No doubt a great many of them did not vote because they were generally satisfied with the course of affairs in the country. No doubt, too, a good proportion of them did not vote because they have very little use for any of the political parties which came forward. I am not one of those who believe people should be forced to vote. I believe that to absent oneself from the poll is not a privilege but a right, just as it is a right to vote at the polls. I do not favour the Australian system which obliges people to vote on pain of a penalty. Nevertheless, I do not think there can be any doubt that a high proportion of the 25 per cent who did not cast their votes are people who were unable to do so because they were absent from their homes on election day. This is the purpose of an absentee ballot—to accommodate these people.

• (5:00 p.m.)

I might point out that in my own riding of Coast Chilcotin the number who did not vote was 33⅓ per cent, or one-third of the people.

An hon. Member: Dull election.

Mr. St. Pierre: Someone says it was a dull election. Possibly. It did not seem so to those of us who engaged in it. I would remind hon. members that mine is a large riding devoted mainly to primary production. There are many loggers and fishermen who must be absent from their homes on occasion as a matter of business. As a matter of fact I can give the house a particularly shocking example of the disenfranchisement to which I refer. One of the larger Indian reserves in Canada is situated in the riding of Coast Chilcotin—the Bella Bellas. On the day of the last election there were 410 Indian adults on the voting list and only 176 voted.

The reason for this absenteeism is that the community is entirely dependent for its income on fishing. Both on the day of the election and on the day of the advance poll since this year's major fish run was at Rivers Inlet 100 miles distant from Bella Coola, these Indian people had to be about their business. Because they were about their business they were denied their right to vote. As I say, this is a shocking situation, and I hope we do not go into another election without provision being made for an absentee ballot.

Advance polls are of no help or of very little help in this matter. They are open one day only and are usually poorly advertised. In any case we are in the age of the two-week and three-week vacation in many parts of Canada. The British Columbia coast logger or fisherman may well be absent from his home not just for a few days but for three weeks, a month or even two months at a time. Why should such people be deprived of their privilege of casting an absentee ballot?

My constituency is not the worst in Canada in this regard. I am sure my hon. friend, the hon. member for Skeena (Mr. Howard), where there is a very large proportion of fishermen, would consider his people are very greatly disadvantaged in this matter. Both the Yukon and the Northwest Territories are vast expanses of land far, far bigger than the constituency of Coast Chilcotin. I also imagine that Rocky Mountain constituency, which is a long and difficult to negotiate geographical area, must suffer very severely in this connection.

In any case we are not in the age of our ancestors 50 years ago in Canada, or in the hungry thirties when travel was difficult because we could not afford the gas. I imagine that most hon. members who did occasionally beg or borrow a car would remember how gas for it was purchased two bits' worth at a time. The federal election law that requires the voter to present himself at his home polling station is really and genuinely fitted only for the horse and buggy days when men did not move far from their homes in order to work, the days when vacations were unknown and when, except for trains, the only method of travel was the horse and buggy, which did not take one very far from home.

I think it is important to note that the absentee ballot has been used with success in several elections in the province of British Columbia. It is a fairly simple method. An applicant for an absentee ballot must fill in a form at whichever polling station he attends and swear to the information he provides, and the secret ballot is then delivered to his home electoral district. There is also a safe and satisfactory method of counting these ballots. There is also a system of double-checking to prevent electors from casting two ballots, one in their home district and one in a neighbouring district.

I suppose there have been abuses of this system, because there are abuses in any law, but I have lived in British Columbia since 1945 and have never heard of one single abuse of the absentee balloting system. Those that have occurred have therefore, I think been small in number and not significant to the final vote.

In urging a system of absentee balloting I am fortunate to have the support of a very distinguished Canadian, Mr. Castonguay, who has reported on methods of registration of voters and absentee voting. This report of the representation commission was made in 1968. In his report appears this recommendation:

> If the Commonwealth of Australia system of continuous electoral rolls is adopted, I recommend:
>
> (1) That the Australian method of absentee voting, which provides voting facilities for electors who are unable to attending at their own polling place by reason of absence, but able to attend at another polling place located in the state in which they are registered, be applied to federal elections in Canada.

Hon. members may wonder why the motion that I am presenting here does not simply recommend that the government adopt the Castonguay report; certainly that is the evidence and the recommendation of an expert. The reason is that Mr. Castonguay's recommendation is based on the provision that Canada adopt the system of continuous electoral rolls. I am not opposed to that. In fact, I would hope that the committee on privileges and elections will adopt the whole of the Castonguay report. But in his introduction Mr. Castonguay makes this point:

> However, it is my belief that the adoption of such a system would prove to be very costly.

My fear is that the committee on privileges and elections may very well be alarmed by the cost involved. Mr. Castonguay does not say exactly how much it would be. However, in rejecting or postponing the adoption of a continuous election roll system for Canada, the committee would also again be rejecting or postponing the absentee ballot. My hope is that in such circumstances the baby will not be thrown out with the bath water and that at least an absentee balloting system similar to that in use in British Columbia, where it has worked very well, will be retained—in short, that there be a compromise. What is a compromise? It is a meeting of minds of reasonable men.

One or two hon. members have expressed an interest in fishing in my constituency. Fortunately I had an experience recently that I think points up splendidly the value of compromise in human affairs. I was fishing for salmon and I caught a 14-incher. which by

our system of measurement is an extremely large fish.

Mr. Pringle: That is between the eyes!

Mr. St. Pierre: Yes, between the eyes. Unfortunately I did not weigh it. My wife had a camera and took a black and white picture of it, and the negative alone weighed seven pounds! I was mentioning this to Jim Chambers, the head of the fishermen's union at Powell River, and he said, "What was the size of the fish, Paul? I said, "I would estimate it at about 160 pounds—dressed, that is." Well, Jim said he had a big catch himself. He had been fishing just off Desolation Sound, near Refuge Cove, which was first mapped by Captain George Vancouver of the ship *Discovery* in 1792. Jim was fishing very deep and snagged something on the bottom. When he brought it up he found he had snagged the binnacle lamp from Captain George Vancouver's ship *Discovery*. You can imagine his surprise, Mr. Speaker, when he found the candle in it was still burning.

• (5:10 p.m.)

Now, Jim Chambers and I are reasonable. Reasonable men. We compromised. I took 100 pounds off the fish and Jim put out the candle. As you can see, Mr. Speaker, compromise is very necessary. We may have to compromise in order to reform our electoral system by 1972. If we cannot implement the recommendations of the entire Castonguay report, at least let us deal with absentee ballots.

Paragraph (b) of the motion in my name says:

> —to provide that armed services ballots shall henceforth be called absentee ballots and be counted simultaneously with other absentee ballots without, however, altering the present method of balloting by the armed services;

Our servicemen who serve in many parts of the world vote under an intricate system which, to the best of my knowledge, in most ways seems to satisfy them. What does not satisfy them, and on this I am inclined to agree with them, is that at present servicemen as members of a professional group are singled out and the way they vote is made public. We are told how many service votes each party gained. We are not told, however, how the doctors or other professional groups in the country voted, and to this extent servicemen have been discriminated against.

Acceptance of my motion would mean that servicemen's votes would be collected as at present. Their ballots would be treated as other absentee ballots are treated and, instead of coming to a central office here in Ottawa to be counted, with the results of the vote being transmitted to the various polling divisions, would go directly to the chief returning officer of each electoral district in Canada, where the ballots would be mixed with other absentee ballots and counted. It is as simple as that.

Paragraph (c) of the motion seeks to extend to the members of the Public Service of Canada and others serving abroad the polling privileges extended to our armed services. Of course, there is a limit to the number of Canadians living abroad who can participate in an election. After all, 15,000 Canadians live in London alone and we could not reasonably expect to service these people. Many Canadians live in other foreign cities. The members of our diplomatic service, however, are in a different position since we send them abroad as our servants. I think that their votes ought to be collected as we would collect the votes from the armed services, with identical or very similar machinery being used.

It is extremely important to make sure that the votes of our diplomatic representatives are not broken down, as are our armed services votes, in order to reveal party support. No one should know that our overseas personnel voted largely for this party or that party. Our absentee ballots should be entitled to the anonymity that attaches to the votes of all our citizens.

In closing, Mr. Speaker, may I say that I hope the provisions of our electoral act will be revised by 1972 or earlier, if there should be an election earlier, so that those voting through absentee ballots will not be faced with a situation in many areas which is shocking and quite undemocratic. I thank hon. members for their courteous attention.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I commend the hon. member who has just spoken for his excellent presentation and his excellent fishing story. In one sense we are all fishermen, since we have all gone fishing for something that is important to us in order that we may sit in this house. Our methods have perhaps been similar to the methods that have been described in some fishing stories we have heard.

The hon. member's notice of motion is welcome and I will not speak at great length on it. I merely wish to bring up one or two

points since I know other hon. members wish to speak on this matter. First, I should like to see the principle embodied in the idea behind the absentee ballot extended to those who are crippled, who live in nursing homes or find it difficult to go to the polls.

Some hon. Members: Hear, hear.

Mr. McCleave: I realize that the hon. member's notice of motion deals with those who are physically absent from their constituencies on election day. I think it might cover those who can only attend at a polling booth after making tremendous sacrifices and going through great hardships. I will cite a case I am personally familiar with.

Provincial election laws have provided for those people in nursing homes who are elderly and not mobile or in other ways incapacitated to cast their ballots, and in that way provincial laws are ahead of federal laws. That often leads to confusion, since many voters do not think election workers are telling the truth when they say that the provisions of certain provincial electoral acts are not included in the federal election legislation.

Sometimes when a person has driven up to a polling booth and has not been able to alight from the car that person has been approached by an agent of one of our parties and been permitted to vote without leaving the car. While that sort of action may contravene the letter of our electoral legislation it does not contravene its spirit.

I said I would cite a case I was familiar with personally, and I do so now. During my second election campaign I remember one particular voter who was seriously ill and who came to the poll, no doubt to frustrate my attempt to be elected. No one will say that the lady in question was forced to come since I imagine she had been a lifelong adherent of another party and no doubt wanted to nip my political career in the bud. At any rate, she went to the poll and voted in tremendous agony. Shortly thereafter, within hours of voting, the woman had passed away. She could have been given at least a little more life if a ballot had been brought to her sickbed. So I hope that in this parliament we can come to grips with this problem. I think that every parliament during its four-year term should make changes in the Canada Elections Act. I hope this change will be one of them.

• (5:20 p.m.)

I understand that the hon. member who proposes this motion lived for some time in my area. Therefore he should be familiar with the armed forces problem. Perhaps that problem is not so acute for the Halifax constituencies because there are large numbers of servicemen concerned, but I think the hon. member is right in his general criticism that service voting is too often identifiable. Somebody on a base in Germany may be the only one going to vote in a particular riding in Canada and it does not take much imagination to see which way he voted. Therefore I certainly support those provisions in the hon. member's motion.

I would hope the Department of National Defence would be less sheltering in its attitude to the people in the armed forces. There seems to be some idea that they are to be protected at all costs from political ideas. I think this ghetto approach to the serviceman, not only to make his vote a rather special and different sort of thing but also to make it very difficult for politicians of any kind to bring ideas and discussion to him, is less than commendable in a democratic age.

The last meeting of the national defence and external affairs committee last year will provide useful information with regard to the problem of employees of the Department of National Defence, the Department of External Affairs and the Department of Industry, Trade and Commerce who serve abroad. The problem there is simply to get Canadian ideas and newspapers to these people. Some newspapers do get to them but not all. To give them more participation in general elections some heed should be paid to the evidence given before that meeting.

Those are the few points I wish to add in my most fulsome support for the notice of motion proposed by the hon. member for Coast Chilcotin. I simply conclude by saying it should be referred to a committee, together with any other similar subject matter, and I would hope the committee would be generous enough not only to consider the hon. member's motion but to give it a somewhat broader aspect by dealing with those who for physical, medical or health reasons, or for sheer age, find it somewhat difficult to get to the polls on election day.

Mr. Barry Mather (Surrey): Mr. Speaker, aside from being entirely in support of the proposal put forward in the motion of the

hon. member for Coast Chilcotin (Mr. St. Pierre), I have a particular reason for taking part with some pleasure in this debate. It happens that the hon. member and myself are from the same department of the same newspaper in the same city, Vancouver. We both served in it at one time. No matter how much we may have disagreed in the past and still may disagree on many other matters it is good to think we agree in principle on such an important issue as he has brought forward, the reform of the electoral law of Canada.

This subject is long overdue for action. Over the years members of all parties, such as the hon. member for Skeena (Mr. Howard), have taken up this issue at the election committee level and urged that reform take place. For many years it has been the plight of many Canadians to be disenfranchised because of no absentee voting procedure for them.

Naturally reference has been made to the larger constituencies in different parts of Canada, particularly in British Columbia. In the area from which I come, the lower mainland of British Columbia and in particular my constituency of Surrey, there are hundreds if not thousands of industrial workers who are disenfranchised by the lack of absentee balloting every time a federal election is held in the summer. We have hundreds of fishermen in that area, many miners, and many hundreds of loggers who are away from their homes when elections are held. They would like to vote for or against the candidates in their own constituency but they are out of the constituency long before the advance poll is held. As the hon. member for Coast Chilcotin has pointed out, advance polls are of little or no use to many Canadians because they do not have an absentee ballot to use when they are hundreds of miles away from their own polling booths.

The proposals the hon. member has made summarize so well the need for action in this regard that I will conclude what I have to say in about one more minute so that I will not contribute in any way to talking out the motion. I would simply add that the hon. member's point with regard to armed services voting is also very good. As matters stand members of the armed services are the only group of Canadians who are made distinctive at the time of federal elections or, if you prefer, are discriminated against by the fact that their votes are tabulated separately. I am sure that the principle involved in the hon. member's motion is such that it will commend itself to all members in all parties. I would hope that if the principle is not approved in the house tonight the house could at least agree to send the motion to the appropriate committee as being material requiring action and having the blessing of the members of the house.

[*Translation*]

Mr. André Fortin (Lotbinière): I should like to comment briefly on this motion from one of our colleagues, to amend the Canada Elections Act.

Mr. Speaker, I wish first to congratulate the hon. member for taking the lead in trying to have the Canada Elections Act amended, although I must tell him that I do not quite share his views. I shall try to set forth my reasons quickly. I wish to point out that some parts of the motion, particularly the last sections, will encourage the fraudulent practices now prevailing in the Armed Forces and among civil servants stationed outside Canada. This motion does not change anything to the way they vote which I think is basically wrong.

Mr. Speaker, so as to bring the discussion back to its true framework and to show how important this matter is, I should like to say first of all that Canadian citizens must have every opportunity to cast their votes. I therefore agree in principle with the hon. member's proposals since it is an attempt to improve the efficiency of the vote. It can be noted by everybody at the time of an election—whether the last election or the previous one—that the rate of absentee voting keeps increasing, for the simple reason that people, because of the government inaction or the people's indifference for governments, have lost any interest whatsoever in public affairs. It can be seen that the number of non-voters keeps increasing from one election to the next. Of course, there may be several reasons for that, but we would be led to discuss political issues, and I do not want to turn this into a political debate, since the matter being looked into is the Elections Act.

Therefore, Mr. Speaker, it is my opinion that the hon. member's attempt has merits per se. We should aim at giving every Canadian citizen a chance to vote if he knows in advance he will be away from his constituency on polling day, since it is in the interest of Canada as a whole to give every Canadian

a fair chance, without any patronage, blackmailing or bribery, to cast a free vote so that this house may be made up of free men.

However, Mr. Speaker, to reach that point any possible fraud should be prevented. I maintain that the present Elections Act has been obsolete for a long time and does not meet Canada's requirements. I would say, for instance, that in the Shefford riding, in 1965, the Creditistes lost an election not because the people were less créditistes—in fact, they were more inclined that way—but because the votes of the armed forces upset the results of the vote. I was present when the judicial recount took place in order to assist my colleague, the present member for Shefford (Mr. Rondeau).

Four things have to be considered.

First, the members of the armed forces do not vote at the same time as the rest of the Canadian citizens; secondly, they do not use the same ballot; thirdly, they have no control over their ballot and fourthly, they are ill-informed as to what is going on in their respective ridings and in Canada generally.

Therefore, not only do the armed forces control the boys "left, right, left, right, left, right" as was said earlier by my colleague from Champlain (Mr. Matte), when a similar question was being discussed—but also, in some way, the military vote. I think that we have here a first rate instance of fraud.

On several occasions, Mr. Speaker, we asked the minister responsible for the armed forces—the Minister of National Defence—to investigate the matter very thoroughly. I sit on the committee on privileges and elections and I should like the sponsor of this motion to pass on my request to the minister—asking him to inquire on the military vote and to report to the committee so that we may study extensively and circumscribe this problem which, in my opinion, makes the military vote more or less just, more or less fair.

Mr. Speaker, the motion under consideration concerns first the people who are absent from their riding on polling day.

• (5:30 p.m.)

I agree entirely with that part of the motion since the present system does not make it as easy as possible for those who are called away from their own riding to vote on election day. Since Canada as a whole needs those votes, the polls must not be faked, but honest. I can only approve the mover on that point and congratulate him. I think the committee will be pleased to examine the motion, because, according to me, it will bring some order into the present electoral system.

The second part of the motion deals with the armed forces. Here, I do not agree at all, Mr. Speaker, when we are told, for instance, and I quote:

b) to provide that armed services ballots shall henceforth be called absentee ballots and be counted simultaneously with other absentee ballots—

Up to there I agree, but I do not any longer when the motion states, and I quote:

—without, however, altering the present method of balloting used by the armed services—

The sponsor takes a step forward and two backward. If he approves the last part of that sentence, he is acting like a crayfish. A while ago, he talked eloquently about fish, I will now speak to him about crayfish. A crayfish is a shell-fish which moves a step forward and two backward; that is how the Liberal government is acting.

This motion, Mr. Speaker, shows that the present electoral system is accepted and that no change whatever is made to it. There is fraud not necessarily because the members of the armed forces are not in their constituency, since this would be working from a false principle. Fraud is due to the balloting system used by the armed forces.

I was present at the judicial recount for Shefford and Sherbrooke and I noted that we lost those two constituencies because the vote was fraudulent and not because people did not vote for the Créditistes.

What did I find out? That scores of ballots bore the same signature. Indeed, no one can make me believe that Canadian soliders have all the same signature. I recognize that strict discipline is enforced in our armed forces but surely not to that extent.

Secondly, many of those votes are in the same handwriting. Thirdly, I have noticed—and I can find it hard to understand—that very few servicemen of the Lotbinière constituency stationed abroad and known to me before they left, when I was not yet a member of parliament, voted for me whereas I know very well that they supported the Ralliement Créditiste before I did.

Now, if I add the number of servicemen outside Canada supporting the Ralliement Créditiste to the number of votes I got, Mr. Speaker, I get an impossible figure. Either these people have died or they were off their heads when they voted for the Liberal government. So, something did happen.

That is the information I want to get and that is exactly the information the minister refuses to disclose. Consequently, this motion will bring about no change at all if the said passage is maintained, and I quote:

—without, however, altering the present method of balloting by the armed forces—

We must change this procedure, Mr. Speaker. I urge the sponsor of this motion to change that sentence to read.

—however, by altering the present method of balloting by the armed forces—

Then, he would be able to tell between a man who goes forward and a crayfish.

Mr. Speaker, I said I would be brief and I shall be.

The third part of the motion concerns the members of the public service who are posted abroad.

Here again, Mr. Speaker, I do not understand anything. I quote the relevant part:

—that members of the public services of Canada and their dependents stationed abroad shall be enabled to cast absentee ballots in the manner prescribed for the armed services—

There is not only too much cheating in the method of balloting used by the Canadian armed forces, but the situation would be even worse if the members of the Public Service posted outside Canada were treated in the same manner.

Mr. Speaker, I do not accept that. I would like our Elections Act to be completely revised, so that it be adapted to our modern life. We are clever enough to give a free vote. Mr. Speaker, when I consider the number of impersonations at each election, I am flabbergasted and I cannot tolerate such a situation. One knows that money is circulating in all constituencies in Canada during an election campaign, that there is blackmailing and that refrigerators, electric stoves, crayfish, in short, all you can think of, are offered to people. One also knows that advertising which says the same thing over and over again without being controlled, leads people astray in many cases. I do not speak necessarily about Liberals or Conservatives; I mean that our electoral system is basically rotten.

Mr. Speaker, these are so many methods we must expel from present electoral system. Our governments will be much better because they will be more free, more legitimate, more desired and not imposed. That is the reason why so many voters are absent: our governments are not wanted.

[Mr. Fortin.]

When I organized the campaign for my party on the occasion of the by-election in the Hull constituency, the member of parliament was Mr. Caron. At that moment, I realized that there were more undecided people, more people who did not vote. Why? We cannot explain it.

Mr. Speaker, the mover of the motion said, a few moments ago, that 33 per cent of his constituents did not vote. Now, if the Liberal party. The New Democratic Party, the Progressive Conservative party and the Ralliement Créditiste have been unable to bring those electors to vote, it is because they are utterly disgusted by what is going on in the political field—and I can but approve on the main of this—because of the out-of-date and unsatisfactory electoral methods used in Canada, a free country. However, it is possible that they are not public-minded, and we must react against this. I admire the words of the Prime Minister (Mr. Trudeau) when he spoke about the permanent democratic participation as a means of getting the people involved in what is happening in this country.

Secondly, they should be given every possible chance, every opportunity to vote, and to do so honestly.

Mr. Speaker, I regret, of course, that everything cannot be put together, that everything cannot come within one motion, and I regret that no mention is made of identity cards, as a means to avoid such a fraud.

I regret also that there is no mention—still in the same field—of an amendment concerning the manner of voting for members of the armed forces.

I also regret that no mention is made of civil servants posted abroad, so that they could vote as intelligent people should do—I suppose they are—honestly, respectfully, individually and not collectively, as it is done in the armed forces.

I regret also that those who are away from their riding on voting day, are not given more incentive to vote. Mr. Speaker, I would like to make a few remarks on the transportation of ballot boxes.

• (5:40 p.m.)

Nobody mentions this problem, but we know the scandal which occurred in the province of Quebec, during the provincial election, in connection with the transportation of ballot boxes. I myself, with other

persons concerned with election organization in the riding of Shefford, found some in ditches, Mr. Speaker. Yet voting was devised to enable us to choose a legitimate elected government, not an usurped one. I found ballot boxes in the ditch, and the people responsible for that state of affairs know all about it. That is unacceptable. I regret that nothing is changed in that field and that electoral expenses are not controlled.

A royal commission enquired on the matter of electoral expenses. I read its report many times, as probably all members concerned, and especially members of the committee on privileges and elections.

In reading that report, we find that members—and once again, I do not wish to offend anyone,—are elected by money and not by the people. We also find that money is the prime factor of the people's confidence in a government. If you are willing to pay such and such an amount for our vote, we shall vote in your favour. The same persons turn around and go to the candidate of the other party and say: If you are ready to buy our vote for so much, we shall vote in your favour. They pocketed money from both sides. The people who do such a thing, Mr. Speaker, are voting for the Ralliement Créditiste.

Mr. Speaker, if my colleagues refuse to change the present system, they are running the risk of having some day a Créditiste government, because voters are fed up and tired of a fraud system that does not do justice to a country like ours which has so many examples throughout the world to prompt it to change its electoral system.

I would have many further remarks to make, but I know that several members are also interested in speaking on the subject.

Mr. Speaker, I should like to draw the attention of the house on electoral frauds and to say that we disagree entirely with the proposal put before us, namely, to change nothing to the present procedure as far as the armed service ballots are concerned.

I think that we now have the opportunity to prove beyond any doubt that we are responsible and that we are not afraid to face the voters.

If the Liberal government and the Conservative party are not afraid to face the voters, they will have no fear of amending the present elections act in order that everybody will be entitled to a free, strictly honest and unpretentious vote. However, should they be afraid to face the people, they will be using the same methods in order to win elections as those used in the Shefford and Sherbrooke constituencies.

Before concluding my remarks, Mr. Speaker—I have to repeat it over and over again because it is necessary in order to be understood—I beg the intelligent ministers and members of the government now listening to me, although few are present, to inform the minister that, for the fourth time, we are asking him to conduct an investigation concerning the armed forces. I wish I could say it in English but, Mr. Speaker, I cannot speak this language well enough and in fact I am afraid I would stumble in my speech. I ask that an investigation be carried out regarding those members of the armed forces that are stationed outside of Canada with a view to reviewing their election system and to control what goes on at election time, not only to have one or two persons testify but to thoroughly investigate the situation. I think that the situation has deteriorated generally to the extent that members of the armed forces are unaware of whom they are voting for.

Mr. Speaker, they are not told what is going on in their country and in their constituencies but they are told that the better man is Mr. So and so. The serviceman does not fill out his ballot-paper himself, as this is probably done by the sergeant, the colonel or whoever teaches military drill or sentences them to detention for misbehaviour.

I am not making any charges accusations, but we have doubts, Mr. Speaker, since no definite information has been given to us. I think that, to enlighten the committee on privileges and elections, it would be quite appropriate for the hon. minister to have such an investigation conducted, which would not necessarily be expensive but would prove that the government is willing to modernize the elections act.

Once again, I wish to congratulate the mover of this bill which I trust will be referred to the committee on privileges and elections. Personally, I wish to assure the hon. member that I will give my most sincere attention to his motion, while expressing the reservations I have just mentioned concerning members of the armed forces and public servants serving outside Canada.

Mr. Speaker, I hope that one day we will have an honest, intelligent and fair election system which will produce the governments we want and not forced upon us like those we have had since 1867.

[*English*]

Mr. D. W. Groos (Victoria): Mr. Speaker, I should like to join that chorus of voices in support of this private members' notice of motion. I note that we have only ten minutes before this measure will come to a vote, so I intend to be brief. It is hoped that it will be referred to the committee on privileges and elections.

No single notice of motion could possibly cover all the defects which exist in the Canada Elections Act, but this notice of motion would certainly correct a very important error. In paragraph (c) of this notice of motion the hon. member very rightly proposes that members of the public service of Caanda who live abroad, and their dependants should be able to cast absentee ballots. I am entirely in favour of this suggestion, but he continues to say "in the manner prescribed for the armed services." Perhaps I did not do my homework before entering the house, and I only entered a few moments ago, but I think it will be found that dependants of armed servicemen abroad are not now in a position to vote during a general election. I hope this matter will be corrected when a correction is being made in respect of dependants of members of the public service of Canada.

What I am really doing is putting in a plug for the dependants of armed servicemen serving abroad in order that they may be permitted to cast absentee ballots. Thank you, Mr. Speaker.

Mr. Gerald Richard Cobbe (Portage): Mr. Speaker, I appreciate this opportunity to speak on this most important motion dealing with the Canada Elections Act. I support it wholeheartedly but suggest that possibly it does not go far enough. In proposing a motion like this, and it is the longest one on the order paper, I am sure the hon. member found difficulty in drafting it in shorter form.

Some comments by hon. members regarding the vote of our armed forces abroad have surprised me. I was surprised to hear any suggestion that there is a considerable amount of fraud connected with the armed forces balloting.

• (5:50 p.m.)

I certainly hope the armed forces personnel will have the opportunity to refute this allegation because I do not believe it is fair for these people to have to accept such statements without having such an opportunity. I would say that the suggestion 33 per cent of the people were not motivated to vote probably accounts for these changes being recommended. I do not believe these people were not motivated to vote. The truth is rather that they were not given the opportunity to vote. As was indicated before, it was impossible for them to get to the polls on election day.

I believe that this suggestion not only affects Canadians who travel abroad, such as those who travel on government business, but also other persons who should be given the opportunity to vote on absentee ballots. I am referring to people who have been moved from their districts after the electoral lists have been posted. What opportunity do these people have to vote? In most cases they would have to travel half way across the country to get back to their proper poll. I believe some consideration should be given to these people and their ballots should be separated from those of the armed forces.

There are also people whose place of work is many miles away from home. Our advanced poll system does not take care of these people. If we look up the statistics we will find that one out of every five families in Canada moves every year. So, it is obvious that in our vast country the privilege of voting is taken away from a great number of people.

To get back to the subject of the armed forces vote, I think there are other measures that could be implemented to assist the armed forces personnel in voting. I do not agree with the statement that it is not possible to inform our armed services personnel abroad about what is going on in our country. A list of constituents who are in the armed forces abroad is available to all candidates, and it is quite easy to communicate with these people. I suggest that members of our armed forces abroad have a much greater interest in what is going on in our country than many people who live in Canada, and they are in very close touch with what is going on here. I am sure that the newspapers that are sent to them are more widely read than they are by people living in the constituency who choose not to vote. However, I am not in total agreement with the provisions made for the

armed forces to choose where they wish to vote.

Sometime during the months of January or February each year the members of the armed forces are allowed to choose their place of voting. We know that when people join up they automatically vote in the place at which they joined the services. Sometimes our armed forces personnel are stationed in a community for five years. They are active in that community and have much more knowledge of what is going on there than their place or origin. There is provision for these people to transfer their vote, but I do not think it is a simple matter. This decision has to be made in January or February but if an election is called in March it is too late for them to change. I believe this situation should be considered to see whether we cannot make some more practical provision for these people.

I support the suggestion of other hon. members that people in hospitals, bedridden patients and people who cannot leave their homes should be given an opportunity to vote. This would take care of much of the 33 per cent to which reference has been made.

Mr. Benjamin: Don't cut one of your colleagues off. How can you do that to a member of your own party?

Mr. Cobbe: I believe there are many people who are deprived of the privilege of voting because they cannot get to the polls.

I should like to put the following motion:

That the said motion be deemed to have been withdrawn and that the subject matter thereof stand referred to the standing committee on privileges and elections.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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 Moose Jaw (Mr. Skoberg)—Corporations and Labour Unions Returns Act—failure to file returns; the hon. member for Lotbinière (M. Fortin)—Airport—Quebec—site of international airport; the hon. member for Richmond (Mr. Beaudoin)—Airport—Quebec—site of international airport.

It being six o'clock the house stands adjourned until 8 p. m.

At six o'clock the house took recess.

GOVERNMENT ORDERS

AFTER RECESS

The house resumed at 8 p.m.

HISTORIC SITES AND MONUMENTS ACT

AMENDMENTS RESPECTING BOARD MEMBERSHIP, REMUNERATION, ETC.

Hon. Jean Chretien (Minister of Indian Affairs and Northern Development) moved the second reading and reference to the Standing Committee on Indian Affairs and Northern Development of Bill C-153, to amend the Historic Sites and Monuments Act.

He said:

[*Translation*]

Mr. Speaker, this is an amendment to the act amending the Historic Sites and Monuments act. This is a quite normal measure which implies no considerable change. The first part of the change that we want to bring about is to enable an official of the National Museums of Canada to sit on the Historic Sites and Monuments Board of Canada.

When the government was reorganized in 1964, the representative of the National Museums of Canada lost his seat on the board and we thought that, in view of the common interest the National Museums of Canada and the Historic Sites and Monuments Board of Canada it would be advisable to appoint again a member of the National Museums to the board. As this board is concerned in particular with the historic sites and monuments of Canada, all hon. members will realize the importance for the board, considering its task of conservation, to benefit from the superior knowledge and the guidance of a representative from the National Museums of Canada.

As to the second part of this act, which is very brief, we would like to amend the section which sets out the remuneration of the

members of the Historic Sites and Monuments Board of Canada.

The present act provides for an allowance of $20 per day for those experts who apply their knowledge both historical and otherwise to the benefit of Canada. The appointment of the members of that board has always been made very conscientiously. The members appointed by the different administrations have been chosen for their technical knowledge and their qualifications in history. I feel therefore that it would be most fair that they be granted now a more appropriate return for their many services to the community.

I know that most members on the Board are good Canadian citizens, quite happy to serve their country in that capacity, but I also think that we should give them a better salary because it would not be fair for doctors in history, university professors or well-known historians to get only $20 per day. We wish therefore to empower to governor in council to determine, as changes occur, what will be a fair remuneration for the Board members, the more so as several of them—and I should like to pay them a special tribute tonight—devote many hours and even whole days, on weekends or in the summer months, to conduct free of charge their own personal research so as to be able to judge the historical value of the projects suggested to them.

Mr. Speaker, it would be absolutely normal, in the circumstances, to amend this somewhat outmoded provision and, in the case of the Historic Sites and Monuments Board, to do as for other boards, that is to have the remuneration of its members fixed but order in council.

Those are the only comments I wish to make at this stage on the measure that can be readily understood by everyone.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the minister has briefly outlined the purposes of the legislation now before us. As he says, it is merely housekeeping legislation. It makes two small changes to the act, one of which is increasing the membership of the Historic Sites and Monuments Board from 14 to 15. I believe the amendment also provides for a proportionate increase in the quorum. The bill makes the further recommendation that the responsibility for determining the remuneration of the distinguished Canadians serving on the Historic Sites and Monuments Board be placed in the hands of the Governor in Council.

I am sure no member of this house has any quarrel with those recommendations. In fact, the only complaint I would raise is that the minister did not seize this occasion to make more sweeping changes to the Historic Sites and Monuments Act. I am sure the time has come when we should review this legislation in a more comprehensive way and recognize that the growing interest in the preservation of Canada's historic sites and monuments should be recognized in a more fitting and enthusiastic manner.

• (8:10 p.m.)

The only comment I wish to make about the appointment of an additional member from the national museums of Canada is to express satisfaction that the legislation is trying to achieve co-ordination in this way between the functioning of the Canadian museums and of the Historic Sites and Monuments Board. It is an indication that these two areas of government activity have very much in common. While it is a step forward to bridge the gap which presently exists, I hope the government will in due course bring about the even closer co-ordination of these activities. The Historic Sites and Monuments Board is now operating under the national parks branch of the Department of Indian Affairs and Northern Development. At one time the museums also came within the responsibility of this department. It would seem to me that both should be supervised by one department, either under the Secretary of State (Mr. Pelletier) or under the Minister of Indian Affairs and Northern Development (Mr. Chrétien), so that we might achieve co-ordination which would really be effective, making possible a more realistic program to preserve our ancient sites and monuments.

It is a waste of time to get the whole machinery of parliament turning over merely to indulge in housekeeping operations rather than make significant changes such as I have mentioned.

With reference to remuneration of members of the board coming under the control of the Governor in Council, may I say I agree that the present rate of $20 per day plus travelling expenses is hardly sufficient to recompense the kind of people who serve on these boards. This gives me an opportunity to pay tribute to a man who served as chairman of the board for a long period of time—indeed he was active from as far back as 1955, and he

continued as chairman right up to the time of the centenary celebrations. I refer to Dr. Bruce Fergusson who is the archivist for the Province of Nova Scotia. Dr. Fergusson is typical of the men who serve voluntarily on the Historic Sites and Monuments Board. Twenty dollars a day scarcely pays a hotel bill nowadays, let alone the other expenses which are incurred by these gentlemen and ladies. We have had some distinguished ladies, too, including Dr. Hilda Neatby, who come to Ottawa to advise the government on the preservation of our monuments.

This increase really reflects the fact that we are living in an inflationary period. All Canadians are having difficulty keeping abreast of the greatest increase in the cost of living in Canadian history. While this is not a debate on fiscal, financial or economic policy, and while the minister did not say so in his remarks, the reason for this amendment placing remuneration in the hands of the Governor in Council, where the amount could be varied at will, is that the Governor in Council is himself having trouble keeping up with the rising cost of living in Canada. We object to this rapid increase in the cost of living but we would not want members of the board to be penalized because of the government's maladministration.

Mr. Knowles (Winnipeg North Centre): In the way the pensioners are.

Mr. Dinsdale: Yes, in the way the pensioners are. That is the difficulty, here. If the principle applies in one area it should apply in all areas. The trouble is that the government is discriminating.

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Dinsdale: I hope the minister is giving earnest consideration to a program which has long been contemplated in connection with the preservation and commemoration of our national historic sites and monuments, that is, the animating of our historic sites, particularly of our historic parks. This program has been under way for a number of years, but it has not been making much progress in recent years. I hope that when Louisburg is completed, or becomes operational—and I believe it is getting into the operational stage now—animation will be a fundamental part of the program.

Historic sites and monuments and historic parks have strong appeal to the tourists who are coming to Canada in increasing numbers. This means, of course, that the functions of the branch of government concerned here have an important commercial and economic value. In my opinion, the presentation of living history at precise periods in Canada's past has great educational value as has been demonstrated in some of the developments undertaken by the Province of Ontario, in particular at Fort Kingston, the Upper Canada village, and so forth.

This is the sort of thing the federal government should be encouraging right across Canada. I shall not take the time to mention areas which are ideally suited to animation but there are several in every province which deserve this kind of treatment. We have not had a chance to discuss this matter, and I am sorry that the minister did not take the opportunity to deal with it—

Mr. Speaker: Order. At this point I think I should say that if the minister had taken the opportunity to discuss the points which the hon. member is attempting to make now I would have been obliged to call him to order and remind him that this is a bill limited in scope and dealing with two matters only, one concerning the quorum and the other having to do with remuneration. I hope hon. members will seek to confine their remarks to the limited aspects of the bill now before the house.

Mr. Dinsdale: I was in the middle of a sentence when Your Honour rose. I was about to say I was sorry the minister had not broadened the scope of this bill, in which case we could have had a debate which was worthwhile. As it is, the whole machinery of parliament is being used to make these minor changes with no opportunity for the whole subject to be discussed. The labour of the house will bring forth nothing but a mouse, nothing of any real import.

Here too, was the golden opportunity to co-ordinate the functions of several branches of government so that we might have a more suitable program of historic sites and monuments commemoration. We have many government agencies working in this field. Some are doing a good job but would do a much better job if they worked under one minister or branch of government.

• (8:20 p.m.)

With your permission, Mr. Speaker, I should like to state that I feel the time is long overdue when the National Battlefields Commission should amalgamate its operations

with the functions of the National Historic Sites and Monuments Board to encompass all the historic sites of significant battles fought in Canada, such as the war of 1812, the Northwest rebellion and so forth. Under the aegis of one branch of government we could move forward to meet the rapidly increasing demands from the Canadian public for recognition of this particular facet of our Canadian history, as evidenced by growing attendance at monuments and historic sites.

Having said that, I presume the bill will go to committee, where perhaps we will have the opportunity to inquire into some of the broader aspects of the problem. However, I do urge the minister to move far beyond the confines of this bill so we can do something in these matters that is worthy of a great and growing nation such as Canada.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like very briefly to discuss the bill and to raise one problem that we have in our area in connection with the act. The amending bill that is before us makes only a few slight changes to the Historic Sites and Monuments Act; it adds an officer from the National Museum of Canada to the Historic Sites and Monuments Board, and this raises the total membership of the board to 15.

I am hopeful that the addition of one member to this board will reverse a decision I believe the department has made with regard to a project in my riding of Kootenay West. It is interesting to note that the board will now consist of the following members: the Dominion Archivist, an officer from the National Museums of Canada, an officer from the Department of Indian Affairs and Northern Development, two representatives for each of the provinces of Ontario and Quebec, and one representative for each of the other eight provinces, to be appointed by the Governor in Council. The bill also provides for an increase in the remuneration paid to board members. I believe that the amendments which have been offered by the minister are good ones.

I should like to speak briefly on the functions of this particular act which was assented to in 1953. Since the act was passed about 15 years ago, in my opinion an outstanding job has been done in putting up plaques and monuments across Canada which go a long way toward preserving the history of our nation. One of the act's objectives, among others, is to establish historic museums and to provide for their administration, preservation and maintenance. Very recently, a request was made by the Rossland Historical Museum Association—

Mr. Speaker: Order, please. Would the hon. member resume his seat. I have to admonish the hon. member in the same way as I did the hon. member who spoke before him, and remind him that the only matters before the house for discussion at the moment are very simple ones, namely the quorum of this commission and, secondly, the amendment to section 4. As the hon. member knows, the fact that a statute is being amended does not allow hon. members to go behind the amendments to the statute and consider the details of the statute being amended.

I appreciate that the hon. member may have a matter of interest to bring to the attention of the house, and he will certainly be allowed to do this. But at the same time I hope he will limit his remarks as much as possible to the very specific points that are now before the house for consideration.

Mr. Harding: Thank you, Mr. Speaker; I intend to be very brief. I should just like to raise this point. My hope is that the addition to the board will provide a much better chance for a new hearing which would result in changing a verdict that I think should be changed.

I was talking about the Rossland Historic Museum which was very interested in setting up in the city of Rossland a Nancy Greene Ski Museum. They had hoped to incorporate it in the existing Rossland Historical Museum building. This request was made to the minister and I think passed on to the National Advisory Council on Fitness and Amateur Sport, who in turn I think should have passed it on to this board. I presume the minister has the correspondence in this matter.

I should like to point out to the minister and the government—I will take only a moment or two—that the Rossland Historical Museum Association has done an outstanding job in the preservation of the history of Rossland, as everyone is well aware. Nancy Greene has become one of the best known sports figures in Canada's history. She has made the name of Rossland synonymous with skiing. It was here that she learned the art of skiing which won for her and for Canada a gold medal and the title of World Cup Ski Champion.

I feel it is essential that every consideration be given to the establishment of a Nancy Greene Ski Museum in Rossland, her own

home town. A museum of this type would add immeasurably to the already successful Rossland Historical Museum. It would be an outstanding attraction in this already famous ski town and would highlight the exploits of Nancy Greene, who by her fine example, her sportsmanship, courage and achievement has already made a tremendous contribution to Canadian prestige and Canadian youth.

Before any further time elapses, I feel action should be taken. Nancy Greene has become a legend in her own time. A Nancy Greene Ski Museum at Rossland would be a tangible and permanent token of appreciation by the Canadian people in honouring this great Canadian. I urge the minister and the government to assist the Rossland Museum Association in the establishment of this museum.

Some hon. Members: Hear, hear.

Mr. Harding: Mr. Speaker, I should like to thank you for your indulgence in allowing me to present this very brief, but I can assure you tremendously important plea from the West Kootenay riding, and particularly from that great ski centre in my riding, Rossland. I trust the minister will give this matter full consideration and will let the people know that the government will go along with the minute expenditure that is involved.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I will also try to speak briefly and not to wander from the subject.

Of course, we admit that there should be a representative of the national museums on this Board. We think that is quite normal.

As for the remuneration, it seems to me that the government is too readily entrusted with the care of determining it under an order in council. It could have been suggested, for example, that the committee dealing with these matters should set each year, if necessary, a new allowance, as it could be done here. I recognize that the amount of $20 is entirely insufficient and that it should be increased to a more logical, concrete and actual amount for 1969. However, I agree that instead of always giving that responsibility to the governor in council, it could be assigned to the committee of the house.

With your permission, Mr. Speaker, I would like to remind the minister that when it is a question of historic monuments, we should take into consideration the existence of the two nations in Canada. Therefore, I would like to see more attention paid to Quebec's wishes in that field, and its views considered, as it represents the great majority of the French-Canadian nation, and I want to stress this. Why? For the simple reason that when there are two nations, both do not necessarily have the same heroes. A hero, to one nation, may be a zero for the other. Therefore, it is important in a country such as ours, to consider the views of the two nations, with justice and equality, as far as historic monuments are concerned

Finally, and this is my last remark, I believe that representation on that Board would be more adequate and equitable if members were chosen according to their nationality and not the areas they come from as at present.

• (8:30 p.m.)

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I shall not delay passage of this bill, item No. 17 on today's order paper. I merely wish to compliment the Historic Sites and Monuments Board for the diligent work it has done in the past. I should like to pay special tribute to a friend of Alberta, whom I will not name, for the tremendous job he has done in reminding Canadians in general and Albertans in particular of the historic sites which played so great a part in the history of our province. I particularly wish to remind this house and the board of the historic significance of the peace treaty signed in the 1880's in which the chief participants were Colonel McLeod and Chief Crowfoot.

An hon. Member: Wasn't it 1877?

Mr. Horner: An hon. member suggests the date was 1867 or 1877. I think the date was closer to 1880. I do not know the exact date, although no doubt members of the Historic Sites and Monuments Board do. It is well known that after the uprisings at Portage and in northern Saskatchewan generally, Chief Crowfoot played a prominent part in bringing peace to western Canada. In addition, his actions brought peace to our Indians.

Chief Crowfoot's actions have passed into history and we ought to pay tribute to the tremendous part he played in bringing peace. When one remembers the difficult times the settlers in the United States had during that period and the fights there were between General Custer and the Indians one cannot praise too highly the actions of Colonel

McLeod which culminated in the signing of the peace treaty along the Bow river in 1877, I think.

Some hon. Members: Hear, hear.

Mr. Horner: I hope the Historic Sites and Monuments Board will commemorate that occasion in an apt way. I have visited the site where the peace treaty was signed. The occasion ought to be commemorated, and I stress these words, because of the confusion our Indians find themselves in today. Nearly 100 years have passed since that event and those who judge us may say that the white man has failed to integrate the Indian into his society. I should not like it if others could judge us that harshly with justification.

I should like to think that, 100 years after the signing of the treaty, we are integrating our Canadian Indians into our society and treating them in every way as full fledged Canadian citizens. It would be apt if in some way the federal government and provincial government concerned could commemorate the signing of the treaty. Surely, it had significance for those concerned when it was signed. I hope it will have significance for us all in the future.

Mr. Deputy Speaker: Order, please. It is my duty to inform the house that if the minister speaks now he will close debate.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have only a few things to say.

I thank my hon. friends for having kept generally to the matter before the house and which is rather simple, that is the number of members and their salaries.

I simply want to make—

[*English*]

I think we all agree that Nancy Greene made a great contribution to Canada, and we can be very proud of her. Certainly, I am happy to recognize her contribution. But because she is so young and so lively, we cannot consider her an historic site or monument. I think there are probably other ways to give her credit for what she did for Canada.

• (8:40 p.m.)

Motion agreed to, bill read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

PATENT ACT—TRADE MARKS ACT

EXTENSION OF AUTHORITY TO GRANT LICENCES

The house resumed from Friday, January 17, consideration of the motion of Mr. Basford for the second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I shall not speak at length on this bill. I hope it will pass very quickly and be sent to committee where it can be scrutinized and improvements brought to the attention of committee members and of the house.

I want to make it quite plain that this party is not opposed to second reading of the bill. In fact, we are quite anxious to have it approved under the new practice so that it will go to the committee and receive careful examination. I do not think there is any question about that. Some suggestions have been made to the contrary. I have read the speeches made to date in the house and I think some rather unfair suggestions have been made concerning the position taken by this party.

It is true that, in the legal phrase, we are approving it dubitate. We are dubious that the bill will have the results which are envisaged by the minister, but we hope it will. We feel that the question of drugs and drug prices is a subject of very substantial importance to the people of this country. Any suggestions to the contrary are improperly conceived. We think it could be a better bill. Hon. members on the government side have said it could be a better bill. Hon. members in the party to my left have said quite definitely it could be a better bill. This remains to be seen. Time will tell.

Personally, I will support any reasonable measure directed towards achieving better and cheaper drugs for the people of our country. However, I would equally oppose any measure which would result in placing before the people of the country drugs which are not likely to do the job which they should do. Anything which prevents people from being relieved of the indignities, the unhappiness and the misfortune of disease and illness should be removed, but it is just as wrong for people to be deceived and to have drugs given to them which do not achieve the effect which they should. It is of no value to provide cheaper drugs if those drugs do not do

the job which they should. That is our position.

I read the evidence contained in the Green book, the discussions which took place and the examinations conducted by the officials of the Restrictive Trade Practices Branch. I read the evidence given before the Hall royal commission. I read the statements prepared by the authorities of the province of Alberta. In that regard I want to pay tribute to the province of Alberta, to Dr. Ross, and to a particular friend of mine and a friend of many hon. members in this chamber, Mr. James Frawley, who made this particular project his own and did a great deal of work. He is entitled to a lot of credit for what he has done.

I have read part of the evidence given before the parliamentary committee on food and drugs in 1964 and 1965, which dealt almost exclusively with the question of safety and control of drugs. I have read a lot of the evidence given before the special committee, the Harley committee, in 1966 and 1967, and I would like to recall for the memory of the house one of the statements made in the recommendations of the 1964 and 1965 parliamentary committee on food and drugs.

One of its recommendations is that the inspection of quality control methods here and abroad should be carried out by the Food and Drug Directorate. If felt necessary by the Food and Drug Directorate, this quality control check was to be carried out by any importer before a drug is released for use in Canada. If this inspection is not carried out or does not meet our standards, the imported drug should not be released for use in Canada. That was coupled with a number of other recommendations.

I would assume it is the government's view that these and other similar recommendations are met by clause 5 of the bill which empowers the government to pass orders in council. I will not bother to read that clause but I think it is quite plain the intention is that the Food and Drug Directorate would make recommendations to the government which, in turn, would be incorporated into regulations. I am not happy about that. It seems to me that if it is possible for the government to set down in detail in this bill the various steps it proposes should be taken to reduce the price of drugs, then that should be accompanied at this stage by fairly specific proposals which the government intends to take in the future. This important matter should not be left to the good faith of the government and the Food and Drug Directorate.

I am not questioning the good faith of the Food and Drug Directorate but this subject is something with which we cannot trifle. In effect, by clause 5, the government is saying it is underwriting and guaranteeing that the quality of drugs brought into Canada as a result of the legislative changes envisaged when this bill is passed will be effective, efficient and safe. I want to say to the government that this is a very heavy responsibility to bear. Should there be injury, death or disaster, following the passage of this bill, as a result of the failure of the Food and Drug Directorate or of the government to introduce regulations which provide these safety features, the responsibility will lie squarely on the government. This is a responsibility it must be prepared to assume.

When the bill gets into committee it will be possible for members of the committee to make proposals, by way of amendment or otherwise, to improve the legislation. I am quite confident it is susceptible of improvement and change under the new rules under which we now operate. The committee is the place where this can be done.

I hope no undue restrictions will be placed on the committee in its effort to improve this legislation and to extract from the government something more specific than is contained within the four corners of clause 5 of the bill. I think this is something which members of this party who have spoken have stressed over and over again, as it was their duty to do. I think they would have been derelict in discharging their responsibility under the oath they have taken as members' of this house had they, with the special knowledge they have, failed to emphasize this fact. I believe they are entitled to approbation from this house for making this point so strongly on many occasions. This is the position we take. I hope this bill will pass through the second reading stage, will be committed to the standing committee tonight, and that this committee will undertake its duty to examine this legislation as soon as possible.

• (8:50 p.m.)

Mr. Ian Watson (Laprairie): Mr. Speaker, I do not believe any member of this house opposes the principal objective of this bill which is the lowering of drug prices to the Canadian consumer. The minister indicated that the bill which is presently before us is

based on the recommendation of the special committee on drug costs and prices chaired by Dr. Harley. The Harley committee based its recommendation concerning the amendment of subsection 3, section 41, of the Patent Act on the recommendation in the Hall Commission report which commission in turn based its recommendation on the recommendation of the Restrictive Trade Practices Commission.

In going through the recommendations of the Harley committee, I find myself in general agreement with 21 of the 23 recommendations. The only recommendation to which I take exception is recommendation No. 18 which is the basis for the bill before the house. In reading through the Hall Commission recommendations with respect to drugs I find myself in agreement with 22 of its 24 recommendations and, in the case of the Restrictive Trade Practices Commission recommendations, I agree with all but one of their seven recommendations. The committee and the two commissions have made an exhaustive and thorough study of the safety and cost factors involved in the sale of prescription drugs to the public in Canada. Unfortunately, the two commissions and the Harley committee failed to give in depth attention to the effect which some of their recommendations might have on further capital investment in manufacturing and research facilities and to the growth of certain ancillary raw material supply industries located in Canada. I am intervening today in the hope that when Bill C-102 is considered in committee detailed attention can be given these items.

The official opposition has expressed concern at the possible health dangers involved to the public in the importation of drugs and drug ingredients. I do not share this concern as I have complete confidence in the ability of the Food and Drug Directorate to enforce the safety standards necessary to protect the Canadian public. I cannot imagine any Canadian government official taking a risk with the health of the Canadian people. If the facilities are not yet available for adequate testing of these imports, then the Food and Drug Directorate obviously will not allow such importations until it is able to impose adequate surveillance.

The basic issue posed by the amendment to subsection 3 of section 41 of the Patent Act has been succinctly stated by D. H. W. Henry, Q.C., Director of Investigation and Research, Combines Investigation Act, to the special committee on drug costs and prices on February 7, 1967. Mr. Henry said:

> —The first fundamental issue emerging in this committee's proceedings is whether a drug manufacturing industry ought to be preserved in Canada in its present form. To do so requires continuation of the present protective devices which the industry considers necessary to its viability, but which deny Canadians access to less costly supplies of drugs. To remove significant elements of that protection (as by extending compulsory licensing to imports, or by abolishing drug patents) should lower the prices of drugs reaching the Canadian market but may well shift some sources of suply to plants abroad. It is possible that some Canadian drug manufacturers may become distributors to a greater extent than they are now. Manufacturing would then tend to concentrate on those products which Canadians can produce most efficiently.

Bill C-102 reflects these views and the minister in his remarks of October 17, 1968 indicated that these views were in effect the basis for Bill C-102. I say that I share the minister's hope that as a result of Bill C-102 drug prices will be lowered to the Canadian public. The expert witness I have just quoted indicated in these general terms what he thought the effects on the drug industry would be if compulsory licensing of imports were allowed. I wish to point out that the possible effects mentioned by this witness have not been completely investigated. Certain other side effects have never been mentioned, let alone seriously considered by the Harley committee or the two commissions.

It was this particular area of neglected attention which led to my original interest in the drug bill. My constituency, as it existed before redistribution, had 26 farmers who were supplying P.M.U. to a major pharmaceutical company in Montreal. The initials P.M.U., for the uninitiated, stand for pregnant mares urine. Since redistribution my constituency has six such suppliers of the raw material for estrogenic hormones. The total number of farmers involved in this field in Canada exceeds 600 and the revenue which these farmers derive from the sale of this product exceeds $7.5 million annually. To give you an idea of the importance of this agricultural product in comparison with other sources of agricultural income, I should point out that the total peach production in Canada in 1966, according to the Canada Year Book, was valued at $7.4 million; grape production, $6.6 million; sugar beet production, $12.1 million and sheep and lamb production, $9.4 million. Of particular importance is the complementary nature of the revenue so derived. The production season is from November to

April. Farmers involved in this production receive an income during what is normally a slack farm revenue season.

It is worth noting that this industry was developed by a Canadian company, a company which has been highly praised by the Minister of Consumer and Corporate Affairs (Mr. Basford) in his remarks to the house on October 17, 1968. The development of estrogenic hormones is an outstanding example of a discovery made and developed in Canada, with production continuing in Canada under the laws as they have existed to date. As a result of this extremely successful discovery this particular company has prospered and expanded and has in consequence developed the most extensive drug research facilities in Canada. From reading the report of the Harley committee and the two commissioners, one gets the impression that because most large Canadian drug companies are foreign subsidiaries there is little potential for the Canadian export of drugs. The example I am dealing with belies this suggestion since this company now exports more than $11.3 million worth of estrogenic compounds annually. In addition to payments to farmers, the company also pays out substantial amounts in wages, for goods and services.

The question which I should like to see the committee consider is whether under the change proposed by Bill C-102 it would be possible for the success story I have outlined to be repeated with a future Canadian discovery. I would hope that the committee would consider whether the shifting of sources of supply, as predicted in the testimony to the Harley committee which I quoted, poses a danger to the P.M.U. industry as well as to the growth of this industry. The Harley committee, in its report at page 2604 of its proceedings stated, and I quote:

> No recommendations could be considered, which, although designed to lower drug prices . . . might . . . have a detrimental effect upon other aspects of the Canadian economy.

This statement was set forth by the committee as a basic principle from which other recommendations of the committee would flow.

Since Bill C-102 is the direct result of the Harley committee's recommendation, I would urge the committee of this house which will consider Bill C-102 to give effect to this basic principle enunciated by the Harley committee and, in consequence, to consider thoroughly any economic effect upon this industry or other areas of the Canadian economy.

• (9:00 p.m.)

Another industry which needs to be looked at again and in greater detail is the fine chemicals industry. The minister stated on October 17, 1968 as recorded at page 1514 of Hansard for that date:

> Even now, as pointed out by the Harley commission and admitted by the drug industry, pharmaceutical corporations in Canada, taken together, import some 85 per cent of the active ingredients from their parent corporations or other foreign producers.

This may be true, but I would ask the minister and the committee which will be studying the subject, if it is not a desirable objective for Canada to encourage rather than discourage the industry. The latter will be the case if Bill C-102 passes in its present form. Is there not a way to at least allow this industry some hope for expansion within the confines of the government's stated objective to reduce the cost of drug ingredients by allowing foreign competition?

On October 17 when the minister introduced Bill C-102 he indicated that the proposed legislation should not be assumed to be discriminatory against domestic manufacturers. He stated they will continue to enjoy a virtual monopoly for their products while such products are classified as a new drug by the Food and Drug Directorate. This view was expressed, not as an opinion but as a fact by the Harley committee in respect of its proceedings at page 2636 as follows:

> After full consideration your committee is of the opinion that under the present system, the patentee has ample time to establish and consolidate his position in the market (and thereby recuperate his research cost) by virtue of the fact that it takes some four to five years for the drug to lose its new drug status as determined by the food and drug directorate. As explained earlier it is more "likely" that a compulsory licence will be sought prior to the date the drug loses its status as a new drug.

It is true, therefore, that the Harley committee in making its recommendations for amendment of section 41(3) of the Patent Act considered that the patentee had time to recoup his research cost and consolidate his position in the market in virtue of non-competition during the period of the new drug status, which the committee accepted as a fact to be four or five years.

I should like to point out to the minister that this is one specific area which should be reviewed. This so-called fact, accepted as such by the Harley committee, is not a fact at all. Even under the previous act, at least one

licence was issued during the period of the new drug application. Thus the Harley committee made its recommendation for amendments to section 41(3) of the Patent Act on the questionable assumption that it is highly unlikely a compulsory licence would be issued while the compound is classified as a new drug. Despite the minister's recognition of this assumption inherent in his remarks of October 17, a proviso governing compulsory licences does not appear in either the present law or in the amendment proposed in Bill C-102. Therefore, the inventor does not actually have this implied protection.

The danger resulting from this situation, and this was not pointed out by the Harley committee or by the minister, is that until a patent issues there is presently nothing to prevent a competitor from manufacturing the new drug, completing the food and drug requirements and proceeding to market. It is conceivable that he could even reach the market in advance of the originator by taking advantage of the following circumstances.

Canada is a member of the international convention on patents. When the applicant for a Canadian patent wishes to protect his patent in foreign countries, he must file such application within one year from the date of filing his Canadian application. His foreign patent application would then carry the Canadian priority date. That is, it would be regarded as if it had been filed on the same day as the original patent application. In the case of Holland or Belgium, the contents of patent applications are publicly disclosed six months after the date of such application. Hence, the inventor in absolute terms has at most 1½ years maximum lead time, not four or five years as members of this house have been led to believe.

Once the invention is made public, it is quite conceivable that a competing firm could proceed with the utmost speed and utilize all its facilities in developing a new compound. This firm might even market it before the inventor, after having met all the food and drug requirements. Since the patent has not been issued, there is no contravention of industrial property rights. At the time the patent issues the competing firm could then apply for a compulsory licence with the result that, having met the food and drug requirements, this firm could market its product either prior to the inventor, concurrently or shortly thereafter.

As indicated at the beginning of my remarks, an area of economic consequences which I feel should be considered by the committee is the effect which the proposed legislation will have on investment in manufacturing and research facilities in Canada. It is common knowledge, and the minister himself has underlined this, that the drug industry is international in scope and the larger Canadian drug companies are all subsidiaries of international companies.

It must be remembered, however, that whether a drug company carrying on operations in Canada is a foreign subsidiary or not, the local management has a vested interest in increasing the scope of that company's activities. Quite simply, the local management gets paid more if its activities are larger. Fortunately for Canada, local management has until recently been successful in convincing head offices that expansion should take place in Canada both in manufacturing and research facilities. The recent incentives afforded to research by the minister of industry have undoubtedly helped local management in their arguments with their head offices, for purposes of installing research facilities in Canada.

Unfortunately, since the advent of Bill C-190 and the present Bill C-102, the capital investment picture in the drug industry has not been quite as rosy. I know as a fact that one large pharmaceutical firm based in the province of Quebec recently expanded its research facilities in the United States instead of Canada with a substantial capital investment. An even more serious loss to Canada and the province of Quebec resulted from a decision by another large pharmaceutical firm to expand both manufacturing and research facilities in the United States rather than Canada. The amount involved in this second decision was considerably in excess of $25 million. This story is fact, not rumour, and I recently confirmed this with the company. To be fair, in the latter case I do not think that the climate of uncertainty created by Bill C-102 and its predecessor Bill C-190, should bear the exclusive blame for the decision. However, it was a major contributing factor in the decision which cost the province of Quebec a multi-million dollar capital investment.

It is very easy to say that this climate of uncertainty was and is unjustified, but unfortunately this uncertainty is a fact. I wish, therefore, to suggest one measure for the committee's consideration which I feel would mitigate the climate of unease and uncertainty which Bill C-102 has created in the drug

industry. This suggestion would also give effect to the statement made by the minister on October 17, that the government does indeed wish to extend a minimum degree of protection to the original drug patent holders as well as the small Canadian chemical manufacturers. Unless we are to eliminate the small Canadian chemical manufacturers altogether, some minimal protection is needed. Unless such a manufacturer enjoys the advantages of lead time over foreign competitors he cannot hope to effectively compete, and the existence of the remaining small manufacturers in Canada will be jeopardized.

I have outlined three areas of economic consequence of Bill C-102 which I hope the committee of this house will study as thoroughly as time permits. I do not think there is any question but that Bill C-102 will be adopted by the House of Commons. But I hope that in its final form it will more closely than is now the case give effect to the basic principles enunciated by the Harley committee when it stated, and I quoted this earlier, that no recommendation could be considered which, although designed to lower drug prices in Canada, might have a detrimental effect on other aspects of the Canadian economy.

• (9:10 p.m.)

I believe strongly that a relatively minor amendment could go a long way toward meeting the criticism which I have outlined. I would hope that both the government and the committee would consider an amendment which would give statutory effect to the five year protective period which the Harley committee in its recommendation, and the minister, assumed existed. I suggest that when the committee of the House of Commons is considering amendments to Bill C-102, it consider adding to section 41(4) of the Patent Act words along these lines:

> A compulsory licence may be granted at any time during the life of the patent to anyone who wishes to manufacture a compound in Canada, while compulsory licences shall only be granted for imported material five years after the patent issues.

I suggest that the amendment would continue the use of competitive market factors as a means of reducing drug prices because it would permit compulsory licences to be granted immediately for drugs manufactured in Canada. It would give the originator a five year protection from the compulsory licensing of foreign imports of drugs and drug ingredients. All this amendment would do would be to put into law what is already an implied protection, but I am convinced it would clear the air and vastly improve the investment climate for the drug industry in Canada.

I might add that the issues I have raised are solely economic. I wonder if the minister would consider referring Bill C-102 to the trade and commerce committee rather than to the Health, Welfare and Social Affairs Committee. I realize it is a little late in the game to suggest this. However, in support of my suggestion I would point out that witnesses have been heard covering all health aspects including safety factors and the cost of drugs, but the various committees and commissions have not had full discussion on the economic aspects of the proposed changes to the Patent Act. I hope the minister will consider referring this bill to the trade and commerce committee.

Some hon. Members: Hear, hear.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, no measure that has come before the house this year has more interest for large numbers of people across Canada in every riding, I am sure, from the Atlantic right through to the west coast. It is now nearly ten years since the Director of Investigation and Research under the Combines Investigation Act reached the conclusion that "prices of drugs in Canada are among the highest in the world". Since then no government has done anything worth while to get away from this unenviable distinction for Canada.

For thousands of Canadians the price of drugs has been, and continues to be, a crushing burden. One member of the house the other day stated that a quarter of our population cannot afford to buy the drugs they must have in order to live. These are the people on low income, people with large families, the chronically ill, the elderly, the pensioners. For far too many of these people, the only way they can get the life-giving drugs they need is to cut down on the food they ought to be having. They are consequently aggravating the vicious cycle of poor physical and nervous health. But I was rather shocked to hear the hon. member, for whom I have very high regard, make the suggestion that the best way for the government to show the people of Canada that they want to help in the problem of drugs would be to bonus the 25 per cent who need help the worst and, presumably,

otherwise to allow the drug situation to remain as it is now.

If the price of drugs is too high, and that has been proved beyond the shadow of a doubt, the remedy is, surely, not to help the poorest people buy drugs and continue to allow the rest of us to be victimized by the drug companies. The remedy is for this government to take action to bring down the price of drugs for all Canadians in every part of the country and at every income level.

We shall support the bill now before us as a first, small step in this direction. But we are under no illusions. We know that it is a very small step indeed. We warn that it must be supplemented by other steps if the aroused expectations of the Candian people are to be met. Indeed, the minister and his predecessor warned that this measure would be only one small step in a number that must be taken if the price of drugs was to be brought down.

My colleague the hon. member for Waterloo (Mr. Saltsman) has given cogent reasons for the establishment of a crown corporation to act as an independent marketing agency which would provide a yardstick by which the public could measure the performance of the existing private drug companies. It is to be hoped that the government, which has already been forced by the logic of events as well as by public opinion to establish crown corporations for other purposes, will shortly come to see the light in the handling of prescription drugs.

Still other measures will be needed if the price of drugs is to be brought down. I want to touch on one aspect this evening that has not been discussed in the debate up to this point except by way of very casual reference. I refer to the tremendous power of international cartels in setting the price of drugs, and the need for the government to co-operate with other governments and international agencies to devise ways and means of controlling them and breaking their power over the people who must have the products they handle.

Instead of talking in general terms I want to outline a single case that has come to my attention and that highlights the need for action that goes far beyond the scope of the present bill. Almost three years ago, in March, 1966, I received a letter from an elderly widow in Toronto. She had suffered for many years from heart trouble and her doctor prescribed quinidine sulphate pills to relieve the distress occasioned by that condition. For some time prior to writing to me she had been paying $12 for 500 pills. Suddenly, over a very short period of time, the price had gone up to $65.25, 5½ times as much. Thoroughly alarmed, she wanted to know why. She wrote to various government ministers, federal and provincial alike and was always given the same answer: It was because of the war in Viet Nam.

When she wrote to me, I in turn wrote to the Food and Drug Directorate. The office replied that recently they had received many similar inquiries about this drug. They told me that the supply of quinine and its derivatives came mainly from Indonesia, India and certain parts of Africa. They added:

> As you are aware, all these areas are unsettled to varying degrees ... The current problems of a number of these countries have resulted in a lower production and a resulting short supply of the crude material, cinchona bark. It has also been reported that the United States government has recently purchased significant quantities of quinine to supply to their troops fighting in Viet Nam. The above circumstances have resulted in the substantial increase in the cost of quinidine.

The Viet Nam war was cited as being the cause of the sudden rise in the price of quinidine sulphate pills. A few weeks later I received another letter from my Toronto correspondent telling me that she had read a newspaper report saying that quinidine sulphate pills were being sold in Britain at $7.50 for 500. Of course, she was paying at that time $65.25 for the same number of pills. She wanted to know why she, in Canada, should have to pay almost nine times as much for quinidine sulphate pills as they were paying in Britain. This time I wrote to the Minister of Justice (Mr. Turner) who was then the Registrar General, the predecessor of the Minister of Consumer and Corporate Affairs (Mr. Basford). With his reply of May 4 came the dawn. I quote from his letter:

• (9:20 p.m.)

> This matter (that is, the price of quinidine sulphate tablets) was recently investigated by the sub-committee on antitrust and monopoly of the United States Senate. The situation is rather complicated but the evidence given appeared to indicate the existence of an international cartel in which Dutch interests played a prominent part. The United States maintained a large stockpile of quinine (of which quinidine is a derivative). The presence of this stockpile had the effect of keeping prices down. Then the United States decided to sell a large part of its stockpile. Most of the released supplies were purchased by the cartel. Having gained control of most available supplies of the drug, the cartel increased prices, reportedly as much as 500 per cent. The combines

branch has a transcript of the hearings before the U.S. Senate committee which contains the full details. I am enclosing photostats of press clippings which you may find interesting.

I certainly did find them interesting because the clippings bore out in full detail the excellent summary of the situation outlined in the minister's letter.

I wish to add two new developments in what I call the case of the cover up cartel. The United States senate subcommittee continued its investigations, and I may say that they were long, detailed and thorough. It reported the fact in its year end report for 1967 that while the price of bulk quinine had dropped dramatically from almost $6 an ounce to $2.53, the manufacturers of quinidine tablets were not passing on the savings to the consumers. It also said, and this is very important, that there is not now, nor has there ever been since world war II, either a shortage of world supplies or an excess of world demand for quinine or quinidine.

It pointed out further that even though the cartel had bought almost 90 per cent of the U.S. stockpile of quinine before the U.S. defence department froze the remainder, based on the current military needs there is now left enough quinine in the stockpile to last for at least 1,142 years. So much for the Viet Nam war theory as an explanation for the price of quinidine tablets.

The United States did not rest at this point. The latest development I could find appeared in the *Toronto Star* of October 26 of last year which published a UPI special despatch from Washington as follows:

U.S. federal grand jury yesterday indicted 15 drug companies and 8 of their executives on criminal charges stemming from an alleged international conspiracy involving quinine and related drugs.

I have been trying very hard to follow up the result of that indictment and of that trial. So far I have not been able to trace it, and I would be very glad indeed to find out how that trial is progressing.

Now, I should like to go back for a moment to my letter of May 4, 1967 from the then Registrar General. He continued:

While it appears clear that increased prices have been due to the action of the cartel, all of the operations of the cartel have taken place outside Canada and beyond the reach of Canadian law. I was advised by the Director of Investigation and Research that Canadian suppliers appear to have acted responsibly. They are not parties to the cartel but have been forced to pay the inflated prices to obtain supplies of the basic drug. As far as can be learned, the increased prices for tablets simply reflect these increased prices.

I am wondering whether or not the same thing could have been said of U.S. manufacturers and people who were handling these drugs, that they were not parties to the cartel but had been forced to pay the inflated prices to obtain supplies of the basic drug. This is not the view that the U.S. government has taken of this matter. I want to know what measures our government proposes to protect Canadian consumers in this and other similar cases of exploitation and of merciless gouging by these international cartels. If the whole matter is presently beyond the reach of Canadian law, what can Canadians do to get such drugs at prices the great majority who need them can afford? This is a question with which I hope the minister will deal when we reach the committee stage of the bill. It is very relevant and urgent, and of course this bill does not elucidate how to deal with a situation of this kind. I should like to know whether the minister has other proposals as a follow up. Perhaps he will indicate them when we reach the committee stage of the bill.

If this whole matter is presently beyond the reach of Canadian law, and I have no doubt that it is, what can the government do to help people get drugs at prices the great majority of them can afford? This is an urgent question. I cannot believe that we should accept an attitude of helpless and hopeless resignation in the face of these international cartels. The United States authorities have acted to indict 15 drug companies and 8 of their executives on criminal charges. Why cannot we do likewise in a similar situation? What is our Combines Investigation Act for? If it cannot be used for such purposes in its present from, let it be amended or scrapped in favour of an act with teeth in it to protect the Canadian consumer. If that act is not suitable, let the minister make explorations as to what else can be done. I understand he is preparing amendments now for dealing with various phases of the need to protect the Canadian consumer, and perhaps this is one matter which he has under advisement. If not, surely it is up to the Minister of Consumer and Corporate Affairs (Mr. Basford) and the Minister of Justice (Mr. Turner) to get together and devise ways and means of protecting the Canadian consumer from exploitation by this and other similar cartels.

There are still other measures which must be taken. I think it is exceedingly relevant that we should underline the fact that bill

C-102, even though it is important and even though we are going to support it, is only a very small step toward the measures that must be taken to protect the Canadian consumers and to bring down the price of drugs. I would urge that in these days of air travel, in which this government is taking its part as it should, the minister or ministers involved visit their opposite numbers in other countries, in this case the United States and perhaps Britain, for consultations as to ways and means of dealing with the situations created by such cartels. Obviously, such cartels are not within the control of any one country.

Also, I believe that there are countries which are farther along the road toward the control of drugs than is Canada. Of course, we have heard about Sweden. I hope that Sweden is not a dirty word in this house, although I have heard hon. members object to having Sweden mentioned. I hear suggestions from my confreres behind me that we had better not make it a dirty word. In Sweden, they have given notice that they intend putting the drug industry under national control because they do not think there is any other way of bringing down the price of drugs. I have been told by several people that Japan has been exploring ways and means of controlling the drug industry. I have no doubt that some members of our government, and I hope they would include the Minister of Consumer and Corporate Affairs and the Minister of Justice, will next year be visiting Expo in Japan. Perhaps they might make it their business to find out what is being done there to protect the consumers of drugs, because I believe that sooner or later we shall have to have international control of these cartels and of the drug industry. Perhaps this should be done first through O.E.C.D. and eventually through the World Health Organization of the United Nations. Such a course was suggested last fall at a meeting in Geneva by no less a person than Dr. Karl Evang, director general of health services in Norway. He suggested that the World Health Organization would be the most suitable organization through which the various countries could come to an agreement and find ways and means of dealing with international cartels. This is not a far fetched idea. The W.H.O. is already dealing with a number of matters relating to health and welfare and various other matters of concern to countries throughout the world. I do not think it is a moment too soon for the government to begin considering steps of this kind.

[Mrs. MacInnis (Vancouver-Kingsway).]

• (9:30 p.m.)

Mr. Basford: I wonder whether the hon. lady would permit a question? Has she heard that Mr. David Henry, the director of research under the Combines Investigation Act is chairman of a working group under the O.E.C.D. and attended a meeting in Paris just before Christmas on the subject of international co-operation in the field of combines? Perhaps, too, the hon. lady noted the remarks of the parliamentary secretary to the Minister of National Health and Welfare (Mr. Gendron) when he drew attention on Friday last to the work the department is doing on an international basis to develop standards of safety and control.

Mrs. MacInnis (Vancouver-Kingsway): I am delighted to hear it and I hope Mr. Henry's interests will include the drug industry as well. If the department is thinking along these lines I am more than ever convinced we should be taking action now of the kind I have indicated. We are faced by the prospect of a new and potentially dangerous organization.

Last summer a big new cartel was formed in Stockholm, the International Federation of Pharmaceutical Manufacturers' Associations. This is an organization of drug manufacturers from all over the world. I am sure a regular covey of midwives were present, but among them was none other than our old friend Dr. William Wigle, president of the Pharmaceutical Association of Canada. This is the same Dr. Wigle, the friend of the people, who during the hearings of the committee on drugs put up such a relentless battle against each and every proposal designed to bring down the price of drugs to Canadian consumers. So if our friend Dr. Wigle is on the warpath organizing drug manufacturers all over the world to see that drug manufacturers are able to stand up in the face of possible intervention by governments, I am certainly pleased to hear indications that the Canadian government is making plans accordingly. It will be extremely difficult to cope with Dr. Wigle and his cohorts. They move fast, and today we know they need to move fast because the Canadian people are aroused over this question of high drug prices.

I was not much impressed during this debate by assertions on the part of hon. members to my right that the freer import of drugs would prove dangerous to the Canadian people, that it would mean the entry of drugs affected by dirt and foreign elements.

In the first place, this manifests a lamentable lack of confidence in the Canadian Food and Drug Directorate, a lack of confidence which I do not think is justified by the record of the directorate. Hon. members to my right used this same argument last year. This year the minister has added a number of clauses to the bill giving additional safeguards. These, in my opinion, ought to be sufficient to allay the fears expressed by members of the official opposition. Nevertheless, the same argument is still being used just as though there had been no additions to the bill. I am inclined to believe members to my right are using the danger of impure drugs as a kind of smoke-screen behind which to hide their unalterable objection to putting any curb on the activities of drug manufacturers in this country.

The time has come for hon. members to stand up and be counted. Either they are on the side of the manufacturers or they are on the side of the Canadian people who need the prices of drugs brought down. They cannot have it both ways. The screen which worked so well for them last year, because everyone is concerned about the safety of the Canadian people, has worn very thin, now. It no longer hides them. Although they may still be holding it in front of their faces, their rear is unprotected.

The battle to protect the Canadian consumer must be waged internationally as well as on the home front. We think of McLuhan's phrase "global village" and we realize he spoke words of truth and perception when he used that term. Unfortunately, we are living in a global village which is located in the middle of a jungle of private profit and greed; we must introduce a measure of safety and town planning for the inhabitants. This bill is a tiny beginning, or, to use a metaphor, it is a small crumb when we need the whole loaf.

A great many people are anxious to see drug prices brought down. We, in this corner, will take the crumb, but having done so we shall continue to ask for slice after slice, each slice building up our strength until finally we get the whole loaf. I am glad a great many members on both sides of the house are determined that this bill shall be passed and that it shall constitute only the first step in a program to bring down the prices of drugs to a point at which the Canadian consumer realizes he is getting drugs approximately at cost and not at a figure designed to produce enormous profits for the drug manufacturers. I trust the bill will receive a speedy passage and that it will be the first of a number of measures deisgned to protect the Canadian public.

[*Translation*]

Mr. René Émard (Vaudreuil): Mr. Speaker, I am quite favourable to any measure aimed at providing the Canadian people with quality drugs at lower costs. Given the interest that I always have shown in the field of labour, I could hardly be accused of being too much in sympathy with the large industries or high profits made at the expense of the wage earner. We all know that the worker must pay for everything he gets, and I also know that he wishes the best when the health of his family is concerned. The safety of his family must in no instance be jeopardized.

I was not a member of the special Committee on drugs and this probably is a handicap for me. However, I can now consider the drug cost problem impartially.

The proposed legislation is based on some research statistics going back to 1959 and 1960 and issued by the Restrictive Trade Practices Commission. The matter was examined, but not reexamined by the Royal Commission on health services, that made recommendations in 1964 on the basis of the 1960 data. The special Commons Committee heard many witnesses in 1966 and 1967. Nearly all of them referred to particulars going back to 1959-1960 and provided by the Restrictive Trade Practices Commission.

Except for some superficial comparisons on prices, we are presently discussing a bill that will regulate the future of an important Canadian industry, without a detailed economic study having been done on the part played by this industry in our Canadian society, without having adequate data on the true breakdown of the cost of drugs, namely by age, illness, economic sectors and so on; without an exhaustive study of the primary role played by drugs in some specific diseases like mental diseases, tuberculosis, and so on; and without waiting for the report on the thorough examination being made by the Economic Council on the role played by patents in our modern industry.

For example, the role played by patents as a factor of the high cost of drugs in Canada still remains to be determined. The Minister of Consumer and Corporate Affairs (Mr. Basford) made an international comparison of the

cost of drugs in his introductory speech, in which he stated that Canadians were at a disadvantage. I am sure that all those who have heard that speech have understood that the same comparison would apply to virtually all the other commodities which we manufacture in Canada, inasmuch as the comparison is made on an official international basis of exchange. The only way to make a decent comparison would be to base it on the relative purchasing power.

But to go back to the speech of the Minister. As an example, he gave a list of nine drugs, which would be enough to warrant the repeal of all patents on drugs in Canada. Besides, the hon. member for Simcoe North (Mr. Rynard) mentioned it last week. The patents on four of those drugs are about to expire, if they have not expired yet. The patent on three other drugs will end within a few years, and only two will be protected by a patent for some years to come.

• (9:40 p.m.)

I am also told that the Canadian prices referred to in the same speech are quite higher than the most favourable prices charged now to Canadian pharmacists.

I wish to say again that I favour low-priced drugs as long as there is a guarantee that the quality of the drug will not be reduced, that the proceedings covering the importation of drugs will not jeopardize opportunities for new discoveries in Canada, that research and manufacturing facilities will be used at their fullest capacity and that there will be an objective and complete appraisal of the importance of industrial patents in Canada.

The hon. minister pointed out that 95 per cent of Canadian patents belong to foreign countries. He places Canada in such a situation that she has nothing to do but to pick up the ball and go home if she thinks she has no chance whatsoever to win the game. The government should act in this field. Why not set up a nationwide organization aimed at enhancing industrial research?

The former minister of Industry said that our country's objective for research and development should be 4 per cent of our gross national product. How could we attain such a goal? By eliminating substantial facilities for drug research in Canada? By ignoring and disregarding the most important incentive to research? By trying to dismantle the most important machineries for the international sharing of technological advances to be found in the domestic patents system?

I admit that we must provide pharmaceutical products at fair and reasonable prices, but I do not think the legislation proposed but the Minister of Consumer and Corporate Affairs will bring the expected results.

I am forced to believe the Canadian Medical Association when its representatives tell us their great concern that the legislation will open the way to drugs of which the security and effectiveness will not always be up to the quality standards that Canadian citizens are entitled to.

I must take the word of experts in international research who draw our attention to the most important part played by the patent system in world trade.

I am most interested in the report prepared by the Economic Council of Canada on the importance of industrial patents in the Canadian industry. Since the report is to be released at the end of February, why not wait for it?

I am also interested to learn the results of the study that the Medical Research Council has performed on the industrial pharmaceutics in Canada.

Besides, I would like to know when the Department of National Health and Welfare will establish a selective assistance regarding drugs for the benefit of those who need them most, such as old people who rely on a small allowance and who are chronically ill, and all the other citizens who are poor and who need drugs badly.

The proposed legislation will only be a risk to the future of our national medicine and an obstacle to the means we have at our disposal to guarantee medical care for those who need it.

Having heard all the speeches delivered on the sujbect in the House of Commons since the beginning of this debate, I am surprised at the little attention given to the economic aspect of this the bill and the consequences it will bring about.

Drug production in Canada is worth about $150 million per year and that industry employs more than 10,000 workers, 2,500 of whom are university graduates. It is estimated that an equivalent number of Canadian workers earn their living by providing services and products directly connected with that industry.

With the passage of Bill C-102, competitors who barely have a telephone and employ perhaps a salesman could put on the market imported products soon after their development, knowing that the government will grant them a temporary license less than six months after the issuance of a patent. I expect that companies of pharmaceutical products now manufacturing their products will also obtain licences. Then, instead of plants and laboratories of pharmaceutical products, we will have warehouses, as it often occurs in several Canadian industries.

If the governmental program is really successful, it is obvious that the industry will have to close its research laboratories in Canada and tranfer its manufactures in countries where salaries and manufacturing cost are comparable to those of imported products.

While nearly all the nations in the western world, which use advanced technology, are endeavouring to find fair means for providing pharmaceutical services required by adequate welfare programs, within competitive international patent systems, our government seems determined to endanger the very existence of that industry.

Bill C-102 aims only at cutting the price of drugs to the utmost. What would happen, supposing our pharmaceutical industry was destroyed, our research laboratories were eliminated, and thousands of workers were dismissed, if this bill failed, as did the suppression of the 12 per cent tax?

There are other very important points. We should remember that druggists who sell to the consumers do not come in any way under the jurisdiction of the federal government.

In my opinion, we should have come to some agreement with the provincial governments before introducing this bill. I am convinced that there are other ways to get the desired result, without taking the risk of ruining our drug industry and I hope I will have the opportunity to deal with that within the committee.

Before concluding my comments, Mr. Speaker, allow me to quote the report of the special committee of the House on the cost and prices of pharmaceutical products, commonly called the Harley report. Sub-section 1 of Chapter II gives the basic principles, and I quote:

—your Committee remained fully conscious that its responsibilities in fact exceed those of the Commissions in that the Committee's conclusions must be such that any of its recommendations, if adopted—

Here is a very important excerpt, and I quote:

—should continue to maintain a proper balance between industry and consumer and take into consideration the importance of continued and increased scientific research in Canada.

• (9:50 p.m.)

Mr. René Matte (Champlain): Mr. Speaker, I shall first take the liberty of recalling the remarks made by the hon. member for Lotbinière (Mr. Fortin) regarding this bill. In my opinion, he is one of the few who have outlined the real problem. All possible means are used to reduce the price of drugs at the risk of jeopardizing Canadian pharmaceutical firms.

As the hon. member for Lotbinière pointed out consideration must be given to the other aspect of the problem, that is to give the taxpayer enough money to enable him to buy those products. If their price is exorbitant because it is impossible to do otherwise on account of their nature, it is obvious that the best solution is to enable people to buy them since, as the hon. member also pointed out, it must be said that, as far as health is concerned, nobody can assume control and declare that he will forever be exempted from having to use drugs.

There exists therefore an innate right to drugs and that is why we should think more often of giving people the means to get them easily. That should be made extremely easy because no distinction must be made between the rich and the poor, the individual from the East or the West, the North or the South. Everybody has the indefeasible right to get proper medical care.

When the minister brought his bill before us on October 17 last, he set up the various stages in connection with it. He stated that the first step had been taken towards reducing prices by removing the sales tax on drugs.

Of course, this legislation was an improvement, but God knows that when one takes a walk among our people the only topic of conversation when one talks about social welfare and national health is always the same, namely that these products are out of reach. Of course removing the sales tax was a step forward, but really that hardly helped the customer. Therefore, this first stage did not produce any significant result and the reduction of the customs tariff from 20 to 15 per cent as well as the limitation of the anti-dumping duty to imported drugs had of

course to bring some results. But I think that much more significant results were expected. However, as the minister said, the second stage of the program is provided in the legislation now proposed.

I agree with the previous speaker that we have here a rather serious menace to the drug industry of this country. That is why we shall have, some day, to reconsider the solution advocated by the Ralliement Créditiste and create a real "just society" by giving the people the necessary buying power to get the commodities they need. Everybody agrees that the commodities with which the present bill is concerned are essential ones and that is why we take advantage of this debate to emphasize the importance of bringing about reforms enabling the citizens to enjoy the buying power necessary to get what they need.

Thus, it is not a matter of slowing the pace of production through laws which would make it impossible to produce at a reasonable price. If, however, we care to get at the bottom of the problems we shall have to give the consumer buying power, and this will automatically bring about progress in production industries.

The third stage of the comprehensive program had to do with the establishment of an information service for doctors. But there are precisely glaring cases of conspiracy between doctors and manufacturers. In fact, we often see, for instance, a pill which costs 5 cents and contains such and such quantity of such and such ingredients, while a similar pill containing exactly the same quantity of the same ingredients sells for 17 cents. If the doctor prescribes the 17 cent pill, the patient will purchase it. How is it that such things can take place? We should clarify that in our present administration. A drug should never be paid more than what it is worth. We should exert ourselves on finding out the true manufacturing cost of products; we would often find that the excessive price of drugs is not only due to the cost of labour, but often to a bad organization. Moreover, it is only a matter of fraud, and again it is the humble folk, those who pay and who do not have the necessary purchasing power, who are the victims.

[*English*]

Mr. Deputy Speaker: Order, please. It being ten o'clock, in accordance with standing order 40, a motion to adjourn the house is deemed to have been put and seconded.

[Mr. Matte.]

Mr. Baldwin: On a point of order, Mr. Speaker, before Your Honour launches into the adjournment debate may I say that since the hon. member for Oxford (Mr. Nesbitt), as well as one or two hon. members of our group, wish to contribute to this debate our party would give favourable consideration to any proposal to extend the sitting for a reasonable period, if it were felt that this debate could be completed. In view of the importance of the bill and the desirability of completing the second reading and sending it to committee, I was wondering if the house would be favourably disposed to extending the time of sitting. I will not move any formal motion. Instead, I am indicating our party's view on the matter.

Mr. Macdonald (Rosedale): We would be agreeable to that, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I submit that too many wish to speak for us to finish this debate tonight.

BUSINESS OF THE HOUSE

Mr. Baldwin: Could I ask the government house leader what the business will be tomorrow, since this bill will obviously not be completed tonight?

• (10:00 p.m.)

Mr. Macdonald (Rosedale): I would expect it might be completed tomorrow and we would call it as the first order of business. As the second order of business, we will call item No. 9, which is the bill to amend the Fisheries Improvement Loans Act. The third item of business would be No. 12 on the Order Paper, the bill to amend the Veterans Land Act; the fourth item No. 33, the bill to amend the Aeronautics Act, and the fifth item No. 41, the bill to amend the Navigable Waters Protection Act.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order No. 40 deemed to have been moved.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT—FAILURE TO FILE RETURNS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, the purpose of the Corporations and

Labour Unions Returns Act, which came into force in 1962, was to determine the effects of non-resident ownership and control of corporations, and to chart the flow of funds between the Canadian and U.S. sections of international unions.

Last October 4 I asked in the house why the annual returns from the corporations section under the act were complete only up until the year 1963. On adjournment debate on October 8 the Minister without Portfolio (Mr. Lang) stated that it was not the intention of the government to let this legislation waste away. He also said that the returns have been made on time but the difficulty has been in compiling, investigating and reporting upon the data received. It was stated that the corporations are not in default in filing the returns and that the 1967 returns are on hand.

There are 70 full time employees filing the corporations' returns. My question of the Department of Trade and Commerce was how many corporations have not filed returns under the Corporations and Labour Unions Returns Act. The answer was that these figures were not available, but I later received an answer to my questions concerning the total number of corporations for which returns must be filed.

It seems strange that these figures are known. The statement was that 185 corporations are under investigation for 1965, 745 for 1966 and 2,990 for 1967, yet the Minister without Portfolio says all 1967 returns are on hand. I ask whether or not the responsible government department intends enforcing the penalty provision of the Corporations and Labour Unions Returns Act, and if not why not?

A further point should be clarified. In view of the debate which took place on this measure in 1962 and 1965, and particularly in view of the concern expressed by the Standing Committee on Finance, Trade and Economic Affairs in 1966 over the manner in which the Corporations and Labour Unions Returns Act was being administered as shown in the minutes of proceedings and evidence No. 13, July 5, 1966, what specific steps have been taken to implement the committee's warnings to officials of the Dominion Bureau of Statistics who appeared before it on July 5, 1966? They were instructed to proceed forthwith with the preparation of any amendments or revisions necessary to define clearly the type of organized labour group which the legislation was intended to cover?

I suggest that either this act must be made worthwhile in its entirety or the government should move to abolish it. I would also suggest to the Minister without Portfolio that tonight he should not repeat the words he used in his answer some time ago.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, as was indicated in the discussion of this matter some time ago, this is not the easiest legislation to administer because of the large number of corporations that may fall under the provisions of the act. Steps are being taken now, in correspondence and other means of communication, to acquaint firms with their obligations under the act and to discuss fully the reasons for not supplying the required information. As a result of this correspondence and communication, the 1967 returns are being received at the rate of 200 to 300 each week. The process of making appropriate contacts with the number of firms involved is very time consuming and staff resources must be allocated between the various parts of the program.

Many of the delinquent firms are small and do not have full-time accounting and legal staff, and therefore do not fully understand their obligations under the act. In some cases, the companies do not have a full-time office staff, and on occasion do not have a permanent place of business and are therefore difficult to locate. In some cases, the company concerned is inactive or in the process of being wound up, and it is difficult to locate a responsible officer of the corporation to furnish the information.

The Dominion Statistician is continuing his efforts to secure compliance with the reporting provisions of the act. The penalty under the act is not automatic, but prosecutions will be initiated of those officers and corporations that deliberately refuse to comply with the provisions of the act.

[*Translation*]

AIRPORTS—QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, last Friday, I put to the Minister of Transport (Mr. Hellyer) a question that reads in part as follows:

> —with regard to the selection of the site for the future international airport which is to be announced before the end of January. Can he tell us whether such decision will be taken by technocrats or by the cabinet?

The minister replied: By the cabinet.

Nevertheless, we are still convinced that the decision will be a purely political one which will not necessarily take into account the long and short term policies of the present government from the point of view, say, of decentralization.

Mr. Speaker, by the decision to construct an international airport in Drummondville, the federal government will solve the overcrowded Dorval international airport problem. At the same time, it will fulfill the landing possibility needs of modern aviation.

I think that the technocrats' report will clearly show that the representatives of the area are justified in making this application. On the other hand, the Quebec government officially endorses this project.

Simultaneously, the federal government will apply its decentralization policy on behalf of an unfavoured region.

Through the investment of public funds in a project of that importance, the federal government will encourage and open the door to private investments essential to banish a staggering local economy and promote prosperity. Never a region has met the needs of such a large project with so many positive arguments: technical arguments are undeniable, social and economical arguments are decisive.

Mr. Speaker, I had the pleasure to welcome a delegation from Drummondville in this regard. I have even distributed to each member the brief presented by the Chamber of Commerce, in order to draw their attention to the importance of the substantial investment resulting from the establishment of an international airport in Drummondville.

For several similar reasons and mainly because I am convinced that the Eastern Townships need some very special assistance to promote further economic development, the establishment of an international airport in Drummondville would intensively and continuously contribute to the progress of our region from the labour point of view, as well from the point of view of touristic, commercial and other means of communication. Better roads would lead to the site which is located at less than 30 minutes from Sherbrooke, less than 20 minutes from Victoriaville and less than 30 minutes from Trois Rivières which would be within easy reach thanks to the new bridge. The site is also located at less than 45 minutes from Montreal. Mr. Speaker, the Eastern Townships

have been left out in the cold for too long and, as I said, it is high time that each and everyone's political interests gave way to concern for the economic well-being of our area.

That is the reason why I put my question. However, I was very disappointed with the answer received. I expected a more precise, positive and progressive reply, which would have led us to hope that the ministry, on the advice of well-informed technocrats, would make an economic decision likely to solve the problems of this buffer area which I consider the center of the province of Quebec. Located between Quebec City and Montreal, it has been neglected far too long by the present government and the previous ones.

Mr. Speaker, I believe that this is a forceful proposal. I suggest that hon. members acquaint themselves with the brief and the government take a clear and positive decision, meeting the expectations of some 800 municipalities. Through resolutions or other means, they have openly approved the establishment of the future international airport on the site suggested in the brief submitted by the Drummondville Chamber of Commerce.

Mr. Speaker, I am waiting of course for an answer from the parliamentary Secretary, and I hope he will tell us that the decision made will be an economic one. Indeed, I think that if the government shows that it is serious and makes an economic decision, it will have to choose Drummondville. Since they are dinning into our ears a decentralization policy, we will then see whether such a policy is only talk or if it is a serious one.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in the absence of the Minister of Transport (Mr. Hellyer), all I can say to the hon. member for Lotbinière on this important question of the future International Airport is substantially similar to what the minister answered him last Friday, since the final decision has not yet been made.

The decision obviously rests with the federal government and they will make it. Of course, they will take into account the advice of technicians or experts in that field, who have submitted reports, and they will also have to consider the results of their talks with the authorities of the province of Quebec.

As the hon. member knows, there are several elements that must be considered before a final decision is reached, like the availability of air space, the topography, the means of transport, the noise that can affect urban areas. Among these elements, of course, there is the regional economic development, which is certainly important and which must also be taken into account.

Proceedings on Adjournment Motion

• (10:10 p.m.)

[*English*]

Mr. Deputy Speaker: The 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 10.12 p.m.

APPENDIX

COMMUNIQUÉ FOLLOWING COMMONWEALTH CONFERENCE

Marlborough House,
London, S.W.1
Tel. No. 01-839 3411

MEETING OF COMMONWEALTH PRIME MINISTERS—LONDON 1969

Communiqué

Commonwealth Heads of Government met in London from 7-15 January. Botswana, Cyprus, Malawi, Tanzania, Uganda and Zambia were represented by their Presidents. Australia, Barbados, Britain, Canada, Ceylon, The Gambia, Guyana, India, Jamaica, Lesotho, Malaysia, Malta, Mauritius, New Zealand, Sierra Leone, Singapore, Swaziland and Trinidad and Tobago were represented by their Prime Ministers. Ghana was represented by the Deputy Chairman of the National Liberation Council; Kenya by its Minister of Finance; Nigeria by the Vice Chairman of the Federal Executive Council; and Pakistan by its Minister for Foreign Affairs. The Prime Minister of Britain was in the Chair.

2. This was the largest meeting of Commonwealth Heads of Government and one of the biggest consultative gatherings of Heads of Government from all parts of the world since the signature of the United Nations Charter. Heads of Government warmly greeted the President of Botswana, and the Prime Ministers of Barbados Lesotho, Mauritius and Swaziland, whose countries had become new members of the Commonwealth since the previous meeting.

3. The Republic of Nauru has become the Commonwealth's first "special member", with the right to participate in all functional meetings and activities, and to be eligible for Commonwealth technical assistance. The Associated States of the West Indies, having reached a full measure of self-government although not fully independent, also take part in Commonwealth meetings and activities in fields within their constitutional competence. Heads of Government welcomed these arrangements which had been agreed since their last Meeting to enable very small States to participate in the work of the Commonwealth.

International Affairs

4. Heads of Government were aware that they were meeting at a time of some misgivings about the effectiveness of international organizations and associations. They were unanimous that effective international co-operation was more than ever important. Any weaknesses and failures of international machinery were a reason to improve that machinery, not to despair of it. They expressed their continued support for the purposes and principles of the United Nations Charter and their wish to contribute to efforts to strengthen the institutions and work of the United Nations, particularly its role in maintaining and promoting peace.

5. They noted with pleasure the part played by Commonwealth countries in the development of regional co-operation. At the same time they recognized that exchanges of view and consultation within a wider association such as the Commonwealth offered one means by which its members could form a better understanding of one another's problems and attitudes and of their growing interdependence.

6. With these considerations in mind, they reviewed some of the major issues and trends in the world political situation.

7. They were in agreement that the principles of non-interference by one State in the internal affairs of another and of scrupulous respect for the sovereignty, the territorial integrity and political independence of all States are the very cornerstone of the structure of world peace.

8. Heads of Government also felt that events in Czechoslovakia in violation of these principles and of the United Nations Charter tended to undermine respect for the territorial integrity and sovereign independence of all States, particularly small States.

9. They considered that events in the Middle East in violation of the United Nations Charter and the Security Council resolutions emphasised the need for the establishment of a durable peace in the area as a matter of urgency. This could be achieved in accordance with the Security Council's Resolution of

22 November, 1967. The Heads of Government expressed support for the efforts of Dr. Jarring, the special representative of the UN Secretary-General, and urged all concerned to give him their fullest co-operation. They were encouraged to note the round of consultation now in progress among the four permanent members of the Security Council and urged these Governments to persist in their efforts to help bring about a settlement in accordance with the November 22 Resolution of the Security Council. While the role of major Powers was important, other countries especially those who have an interest in the reopening of the Suez Canal, including Commonwealth members could contribute towards a settlement.

10. Recalling the views expressed at their Meetings in 1965 and 1966, Heads of Government welcomed the commencement of the Vietnam talks in Paris and expressed the hope that they would lead to discussions aimed at securing a just, lasting and genuine peace.

11. It was the view of the majority of Heads of Government that the People's Republic of China has a right and a duty to participate in full in all the world's efforts towards peace. Most Heads of Government expressed the hope that the People's Republic of China would be able to take its rightful place in the international community, although some of them also stressed that this should be achieved without prejudicing the rights of the people of Taiwan to an independent existence if they chose. However, certain Prime Ministers of countries whose Governments recognised the Government of the Republic of China (Taiwan) reiterated their support of that Government's right to membership of the United Nations.

12. Heads of Government, recalling the ending of Indonesia's policy of confrontation against Malaysia and Singapore in 1966, were encouraged by developments towards stability in Indonesia since their last meeting in 1966 and felt that this would contribute to the general stability and economic development of the region.

13. The Meeting observed that difficulties between Malaysia and the Philippines arising out of the Philippine claim to Sabah had hampered the progress of regional cooperation in South East Asia. It expressed the hope that these difficulties could be resolved by peaceful means, upholding the right of self-determination which has been exercised by the people of Sabah.

14. The Meeting also noted with concern and sympathy the difficulties which Guyana was experiencing in connection with Venezuela's claim to more than one-half of Guyana's territory. Acknowledging that threats to the territorial integrity of the State make inevitable the diversion of resources and energies from the constructive tasks of development, many members shared the view advanced by Guyana's Prime Minister that there was an urgent need for an international effort to secure the territorial integrity of every state—and especially of the small developing countries of the world.

15. The Meeting expressed the hope that the recent achievement of independence by many small states would bring home to the international community the need to introduce special and effective measures to guarantee their territorial integrity.

16. The Meeting considered that major barriers to progress on negotiated agreements in critical areas and fields would be overcome by significant progress in achieving detente and in co-operation between the major Powers. It was therefore considered essential that efforts to reduce tension and extend areas of peace and co-operation should continue.

17. Heads of Government recalled that at their Meeting in September, 1966, they had expressed the view that events were throwing into ever sharper relief the need for firm and far reaching agreements on disarmament. They considered that the need for such agreements was even more urgent now than it was then, and hoped that the Eighteen National Disarmament Committee would resume consideration of this matter.

18. The Meeting considered that the Eighteen Nation Disarmament Committee should, as a matter of priority, explore possibilities of reaching agreement on effective measures designed to bring about a cessation of the nuclear arms race at a very early date. With this end in view a universally binding comprehensive nuclear test ban treaty was an urgent necessity. In this connection the British proposal to the Eighteen Nation Disarmament Committee for a phased approach to a comprehensive test ban treaty was deserving of further study. They considered that the Eighteen Nation Disarmament Committee should also seek to achieve a cut-off of the production of fissionable material for weapons purposes. Both these measures could be of great significance in halting the nuclear arms race. Mention was also made of the possibility

that the Eighteen Nation Disarmament Committee might undertake the study of various proposals made for a convention on the prohibition of the use of nuclear weapons. The Meeting gave particularly strong support to one of the recommendations made by the Conference of Non-Nuclear Weapon States (whose distinguished President was present at this Meeting) and repeated by the General Assembly of the United Nations to the Governments of the United States and the Soviet Union, that they should at an early date begin their bilateral discussions on the limitation of offensive strategic nuclear weapon delivery systems and systems of defence against ballistic missiles.

19. The Meeting stressed again that effective disarmament must cover non-nuclear as well as nuclear weapons. In this connection the Heads of Government drew attention to the urgent need for action to deal with the threat presented by chemical and biological weapons and welcomed the British proposal to the Eighteen Nation Disarmament Committee for a new convention prohibiting microbiological methods of warfare. They looked forward to the report on chemical and biological weapons which the Secretary-General of the United Nations had been requested to prepare; they hoped that this would make a valuable contribution to the consideration of arms control measures to deal with these weapons.

20. Heads of Government recalled that at their Meeting in September 1966 they had stressed that while there was still time it was imperative to halt the spread of nuclear weapons. A step towards this goal was taken with the opening for signature of the Treaty for the Non-Proliferation of nuclear weapons. In so far as the Treaty achieved this objective, most Heads of Government welcomed it. However, some Heads of Government had reservations on certain aspects of the Treaty including its effectiveness and the reliability of security guarantees for non-nuclear weapon states. It was recognised that the Non-Proliferation Treaty would not fulfil all the hopes set upon it unless progress could also be made by the nuclear powers towards effective measures of nuclear disarmament. It was also recognised that member states which were subjected to attack or threat of attack by either nuclear or non-nuclear weapons had the right to the protection afforded to them under the United Nations Charter.

21. The Meeting heard a statement by Britain on the progress of the remaining British dependencies towards self-government or independence. Twenty such dependencies were now left—many of them very small islands—and there had been recent constitutional advances in sixteen. It noted that in the case of British Honduras, the Falkland Islands and Gibraltar, the British Government stood ready to hold discussions with interested neighbouring countries, consonant with its basic principle, which was enshrined in the United Nations Charter, that the interests and wishes of the inhabitants must be paramount.

22. The Prime Minister of Malta drew the attention of other Heads of Government to the situation arising from the rapidly increasing technological capacity to exploit the immense resources of the sea bed, which constitutes nearly three-quarters of the surface of the earth. They considered that the area of the sea bed and ocean floor beyond the limits of present national jurisdiction, for which a precise definition should be sought, should be accorded a special legal status as part of the common heritage of mankind, and as such should be reserved for peaceful purposes and for the orderly exploration and exploitation of its great resources, by such appropriate international machinery as is agreed acting for the common benefit of all States, irrespective of their geographical location, and taking into special consideration the interests and needs of the developing countries.

23. The Meeting welcomed the initiative of the Government of Malta which led to the appointment in December 1968 by the General Assembly of the United Nations of a Committee on the peaceful uses of the sea bed and the ocean floor beyond the limits of national jurisdiction, and declared its support for the committee's work.

Rhodesia

24. The Meeting had a full discussion on the problem of Rhodesia. Heads of Government agreed that there were several reasons why Rhodesia was so important in Commonwealth consultations. The legal authority and the responsibility for the terms on which it would be brought to independence rested with Britain, a Commonwealth member. The attempts of Commonwealth countries adjacent to Rhodesia to establish non-racial societies and prosperous economies were jeopardised by the growing threat of race conflict within the region. But the overriding reason was that problems such as this involved principles

of racial justice and equality and the right of all peoples to self determination which are embodied in the United Nations Charter and in the Declaration of Human Rights. These matters went to the heart of the Commonwealth relationship and were therefore of deep concern to all Commonwealth members.

25. The Meeting recalled that, for these reasons, Rhodesia had been an important subject of discussion at recent Commonwealth conferences, and Heads of Government reiterated the principles and objectives affirmed at their four previous meetings.

26. They also reviewed developments since their last Meeting, noting that the illegal regime had continued acts of political repression against the African majority population, and that there were increasing trends towards an apartheid system in Rhodesia.

27. The constitutional proposals drawn up on board HMS *Fearless* were discussed. Most Heads of Government emphasized their view that these proposals were unacceptable as the constitution of an independent Rhodesia, and should therefore be withdrawn. They considered that to transfer sovereignty to a racial minority as the result of an agreement reached with that minority would settle nothing, if the settlement was not freely accepted by the people of Rhodesia as a whole including the four million African Rhodesians and seen by the international community, especially the independent African countries to be so accepted. Otherwise internal strife, and outside support for guerilla activities would increase, with the inevitable risk of increasing instability and eventual race war. They stated that historical experience suggested that once independence was achieved, a minority in power could not be prevented from changing a constitution in whatever way they might wish. The only effective guarantees of political and civil rights lay in vesting those rights in the people as a whole.

28. The Meeting recalled the pledge given by the British Prime Minister, following discussion at the Commonwealth Conference in September, 1966, that independence would not be granted before majority rule was achieved (NIBMR). The British Prime Minister stated that although the Fearless Proposals remained on the table, there had been no change in the British Government's policy on NIBMR. The Meeting welcomed the statement that the British Government's policy on NIBMR remained unchanged, but most Heads of Government reiterated their position that the Fearless Proposals should be withdrawn.

29. Some Heads of Government reiterated their call on the British Government to use force to quell the rebellion in Rhodesia. The British Prime Minister explained the reasons why the British Government regarded the use of force as wrong and impracticable.

30. The British Prime Minister said that he had taken careful note of the view expressed by most other Heads of Government that the Fearless Proposals ought to be withdrawn. But he could not himself accept this view since he considered that it would be right, if it proved possible, to give the people of Rhodesia as a whole an opportunity to decide for themselves whether or not they wished for a settlement which would be fully consistent with the Six Principles laid down by successive British Governments. Any such settlement would need to be clearly shown to be the wish of the Rhodesian people as a whole. If that took place, he would consult his Commonwealth colleagues about the NIBMR commitments. He emphasized, however, that a settlement based on the Six Principles would not be possible if it were shown that there could be no genuine test of its acceptability in present circumstances in Rhodesia.

31. It was agreed that any settlement must depend for its validity upon the democratically ascertained wishes of the people of Rhodesia as a whole. The process for ascertaining their views was the British Government's responsibility, but the test of the acceptability of any proposed settlement would need to be made in a manner which would carry conviction in the Commonwealth and in the international community generally, so that its results would be accepted as truly reflecting the wishes of the people of Rhodesia. Many Heads of Government urged that this could only be carried out through the normal democratic process of election or referendum, and doubted whether adequate safeguards for free political expression and verification of the results could be provided so long as the rebel government remained in power. The Meeting noted the British Prime Minister's statement that it would be open to the proposed Royal Commission to say that in the circumstances prevailing in Rhodesia, no genuine assessment was possible of the acceptability of the proposed settlement to the people of Rhodesia as a whole and that, further, if the Royal Commission felt themselves unable to adjudicate on the acceptability or otherwise of the proposals to the people of

Rhodesia as a whole, they would be free to recommend any alternative method, including a referendum, which in their view would adequately test Rhodesian opinion.

32. The Meeting had before it a review of the working of economic sanctions prepared for it by the Commonwealth Sanctions Committee. The Meeting agreed that the comprehensive mandatory sanctions were having some effect. It was important to strengthen the enforcement of these and other pressures on the illegal regime, and to intensify them wherever possible, in order to bring about an acceptable political settlement. Heads of Government therefore affirmed their support for the Supervisory Committee of the United Nations Security Council and for the Commonwealth Sanctions Committee, which they requested to continue to keep the situation under review.

33. Notwithstanding some differences of opinion on method, Heads of Government remained unanimous on the ultimate objectives to be sought in Rhodesia. They were more than ever resolved that, whatever the time needed to reverse it, the seizure of power by a small racial minority could be neither recognised nor tolerated. Concerted international action was being steadily built up particularly through the United Nations and the Commonwealth and Heads of Government pledged their continuing support for all efforts to strengthen and extend this and to continue to assist Rhodesian Africans in preparing themselves to take their rightful place in the Government and administration of their country. The special problems encountered by Botswana and Zambia arising from the Rhodesia crisis were recognised.

34. The British Prime Minister undertook to continue to consult Commonwealth members on the issue of Rhodesia.

Southern Africa

35. The Meeting considered other problems in Southern Africa. It reaffirmed the condemnation expressed at previous meetings of the policy of apartheid of the South African Government—a policy totally abhorrent to world opinion. It expressed serious concern at the continued refusal of South Africa to accept its international obligations in respect of the territory of South West Africa.

36. The Meeting deeply regretted that Portugal continued to deny the right of self-determination to the inhabitants of her colonial territories in Africa and called on Portugal to concede that right without delay. Some Heads of Government felt that the situation in Southern Africa if continued, would endanger peace and security and pointed to the threats which they felt were posed to their countries by the armed forces of South Africa and Portugal.

Migration

36A. Informal discussions took place outside the meeting between some Commonwealth countries on certain problems of migration between those Commonwealth countries. The Secretary-General was requested by the countries engaged in these discussions to examine in consultation with representatives of those countries general principles relating to short and long term movement of people between their countries and to consider the possibility of exploring ways and means of studying this subject on a continuing basis with a view to providing relevant information to those Governments.

36B. The Prime Ministers re-affirmed the declaration made in communiques of 1964 and 1965 that for all Commonwealth Governments it should be an objective of policy to build in each country a structure of society which offers equal opportunity and non-discrimination for all its people, irrespective of race, colour or creed. The Commonwealth should be able to exercise constructive leadership in the application of democratic principles in a manner which will enable the people of each country of different racial and cultural groups to exist and develop as free and equal citizens.

Economic Affairs

37. Heads of Government held a general discussion on the world economic situation and broadly reviewed recent developments and trends. They agreed that the representative character of the Commonwealth and its tradition of informed and sympathetic interest in the problems of development make it a most valuable forum for constructive discussion and a useful instrument for co-operative endeavour.

38. They noted that early last year, in New Delhi during UNCTAD II, Commonwealth Ministers had exchanged views on some of the problems affecting trade and development of member countries, and that more recently, Commonwealth Finance Ministers at their annual meeting held in London had a full discussion of the world economic situation with special reference to international monetary problems, development and aid.

39. Heads of Government were concerned that the gap between the rich and poor was widening, but were encouraged by growing recognition of the increasing inter-dependence of nations. Greater co-operative action was vital to ensure economic progress and prosperity on which stability and peace so largely depend. Postponement of adequate and united efforts would lead to greater political and economic problems.

40. They took note of the fact that developing countries of the Commonwealth were making efforts to help themselves. They were steadily laying the ground-work of future self-sustained growth by paying increasing attention to agriculture, education, population control and administrative and institutional reforms. It was therefore hoped that if they were assisted by appropriate international measures, they would be in a position during the decade of the 1970's to achieve higher rates of economic growth.

41. Heads of Government noted the growing movement towards greater regional co-operation among the developing countries of the Commonwealth. This represented a valuable form of self-help on the part of the developing countries.

42. Heads of Government recognized that the results of UNCTAD II had been very disappointing to the developing countries. While there had been agreement on the need to evolve an international policy for development and a global strategy to implement it, little progress had been made in achieving this. On the other hand UNCTAD II had mapped out certain promising lines of approach.

43. They stressed the need to give practical effect to the unanimous agreements reached in principle at UNCTAD II. They expressed the hope that it would soon be possible to conclude successfully the negotiations on a scheme of generalized preferences which would be of benefit to all developing countries and which would provide compensation for the less developed countries whose export trade might be adversely affected by the introduction of such a scheme. They agreed that close and continuous consultations among Commonwealth countries would be necessary during the consideration of the scheme of generalized preference. They emphasised the importance of continuing consultation at the Trade and Development Board and other organs of UNCTAD and asked the Secretary-General to maintain close contacts with these and other international agencies in order to keep these developments under review.

44. Heads of Government agreed that the first Development Decade had fallen short of expectations in achieving practical results. They hoped, however, that the experience gained would help in the identification of areas of development and the strategy to which urgent attention needs to be directed with a view to achieving greater concrete results during the second Development Decade.

45. It was recognised that the terms of trade had moved against some countries of the Commonwealth who depend to a great extent on the export of primary products. More orderly and satisfactory markets for primary products were crucial for Commonwealth countries. Recognising the present unsatisfactory state of major export markets for many primary products, Heads of Government stressed the need for further efforts by Commonwealth countries in international forums to secure improved conditions for international commodity trade, including better access to markets in both developed and developing countries and equitable and stable prices for primary products. They expressed gratification at the extension of the Commonwealth Sugar Agreement which has always been of special interest to the Commonwealth producer countries. They welcomed the recent conclusion of the International Sugar Agreement and expressed the hope that those governments which had not already signed it would do so. They further hoped that other commodities of special economic importance to Commonwealth countries would be covered similarly by suitable international arrangements which arrangements would be pursued and be supported by Commonwealth countries.

46. In this connection, they noted recent developments in the negotiations for the conclusion of an International Agreement on Cocoa. They urged all parties to the negotiations to intensify their efforts so as to reach a speedy agreement, and on the progress of which the Secretary-General should keep members fully informed.

47. Heads of Government welcomed the liberalization of trade in respect of manufactured products consequent on the conclusion of the Kennedy Round of negotiations, and hoped that this process of trade liberalization would be carried further in respect of all products. They regretted however that these

negotiations had produced no significant benefits for most developing countries. They expressed the hope that continuing efforts would be made under the auspices of GATT and UNCTAD to enable developing countries to secure improved access for their products to international markets with a view to increasing their foreign exchange earnings, while making every effort to increase trade among themselves.

48. They stressed the dangers of excessive protectionism in a number of Foreign industrialized countries for agricultural products of export interest to Commonwealth countries.

49. While it was recognised that Commonwealth trade must be seen in the larger context of global trade of which it was a vital part, they agreed there was continuing scope for the expansion of Commonwealth trade and for this purpose there was need to strengthen the well-established links amongst Commonwealth members.

50. Heads of Government took note of the Secretary-General's report that, in pursuance of an earlier decision, the Secretariat had begun a study on the feasibility of Commonwealth co-operation to assist in trade promotion. They looked forward to the completion of this study.

51. The Meeting took note of the special difficulties of Lesotho and other African landlocked Commonwealth countries. These countries expressed the hope that all concerned would find it possible to accede to or ratify the international convention on the transit trade of landlocked countries. Heads of Government hoped that all countries concerned would make every effort to provide adequate transit facilities to the trade of such landlocked countries.

52. Heads of Government reiterated the importance of continuing close consultation by the British Government with Commonwealth Governments in regard to developments of interest to them concerning the British application for entry into the European Economic Community.

53. In discussing the international monetary situation, Heads of Government stressed the importance of restoring stability in world payments—and of adapting the world monetary system to meet evolving needs. They stressed the need for providing adequate international liquidity for implementing and activating as early as practicable the scheme for Special Drawing Rights through the International Monetary Fund to supplement reserve assets. They regretted that it had not been possible as yet to get the necessary broad international agreement on a special link between international action to increase liquidity and the needs of developing countries. They hoped that further consideration would be given to establishing such a link.

54. They expressed the hope that more liberal trade policies would follow from improvements in the international payments system.

55. Some Heads of Government felt that Commonwealth countries should call for a world monetary conference, open to all members of the I.M.F., to reappraise the World Monetary System since Bretton Woods and to make recommendation for its improvement, and that there should be a Commonwealth Meeting prior to such a Conference. Others while sympathising with these objectives felt that it would be inappropriate to attempt to achieve them through such a conference and that it would be better to continue official discussions through existing channels.

56. The meeting discussed international assistance for economic development, and noted with concern that the net transfer of resources from industrialized to developing countries had stagnated at a level which was inadequate to facilitate an acceptable rate of economic development in the developing countries. A critical situation was emerging for a number of countries because of the burden of debt servicing. Heads of Government expressed the hope that countries which had not already done so would be in a position to signify their acceptance of an early date for complying with the UNCTAD resolution on the target of 1% of gross national product at market prices. They stressed the urgency of the replenishment of the resources of the International Development Association and expressed the hope that all countries concerned would follow the lead already given by some in effecting such replenishment.

57. Heads of Government noted with approval the recent tendency on the part of some Commonwealth countries to soften the terms of their loans which they are extending to the less developed Commonwealth countries. They considered that Commonwealth donor countries should take the lead in seeking further improvements in the terms of international aid generally, and hoped that donor Governments would view sympathetically in appropriate cases the granting of more flexible terms.

58. Heads of Government expressed the hope that the consideration of the scheme of supplementary financing would lead to early results of benefit to developing countries.

59. They welcomed the appointment of an International Commission by the World Bank to review the total aid experience of the past two decades and to make recommendations for future aid programmes, and were particularly gratified that a former colleague, The Rt. Hon. Lester B. Pearson, was presiding over the Commission's work.

Commonwealth Co-operation

60. Heads of Government reviewed the extensive range of co-operation which exists among Commonwealth countries in such areas as technical assistance, education, science, medicine, law and many other functional fields. Such co-operation is facilitated and rendered more fruitful by the advantages the Commonwealth association offers—a common working language, similar traditions in government, administration, educational methods, and the organisation of the professions. With the increasing membership of the Commonwealth and the potentially wider areas of co-operation, they recognised the importance of seeking ways and means of achieving more effective co-operation among members in all fields.

61. Much was being done through bilateral arrangements between member countries. The Meeting noted that intra-Commonwealth official bilateral assistance, which accounts on the average for about 85% of the total of such assistance provided by Commonwealth members in all developing countries, had increased in 1967 and 1968, and they hoped that this would continue to grow.

62. They also reaffirmed the value of programmes of specifically Commonwealth effort in certain fields. An example would be increasing application of the principle of third-party financing, as a useful mechanism for bringing qualified experts and important tasks together quickly and efficiently. Third-party financing, by which experts from one country can be financed wholly or in part by another, can significantly enlarge the pool of expertise available for technical assistance arrangements by drawing on skills available in developing countries. These skills, moreover, are often of particular relevance to the needs of other developing countries. The Meeting agreed that early consideration should be given to the extension of the principle of third-party financing to education, training and consultations. This would allow students to be trained in surroundings and under conditions more appropriate to their future employment, and in this way ease the problem of the brain-drain.

63. The Meeting noted several examples of mutual assistance which had already grown up among developing members of the Commonwealth. The Commonwealth Programme of Technical Co-operation, established within the Secretariat the previous year and on which the Secretary-General submitted a progress report, was a further step in building on the special advantages which the Commonwealth affords. A number of them underlined the particular usefulness of the Programme to the smaller members. They noted that a review of this Programme is to be carried out later this year.

64. The Meeting also considered a number of proposals for strengthening Commonwealth co-operation in specific fields.

65. They agreed that the nature and work of the Commonwealth should be more widely known in member countries. They approved in principle the proposal by Guyana for a Commonwealth Information Programme, and authorised the Secretary-General to appoint an Information Officer and to undertake in consultation with Governments a study of the implications of a programme as proposed.

66. Heads of Government also welcomed in principle the proposals submitted by Pakistan on co-operation in the fields of mass communication and education and asked the Secretary-General to undertake studies in detail and in consultation with Commonwealth governments.

67. The Meeting had before it three proposals by Britain for increased Commonwealth co-operation. The first was for extension of co-operation in the legal field. This proposal involved the establishment of a small Legal Section in the Secretariat, which was agreed; and a conference on legal education, to which further consideration should be given.

68. The second British proposal was for regional centres for the teaching of English and the teaching of science, which was welcomed in principle, and which it was agreed should be further considered by the Commonwealth Education Liaison Committee and the Secretariat.

69. The third British proposal was for a series of studies on the problems of youth. The Meeting asked the Secretary-General to examine its feasibility taking into account the work in this field undertaken by other international organizations.

70. In addition the Meeting discussed proposals for a Commonwealth Book Development Programme designed to assist developing Commonwealth countries to obtain books and journals for educational and research purposes. The Meeting asked the Secretary-General to undertake studies in detail in conjunction with the Commonwealth Education Liaison Committee, convening expert working parties where necessary. The Secretary-General was asked to include in these studies the implications of the ratification of the Protocol to the Berne Copyright Convention.

71. Heads of Government took note of the Second Report of the Secretary-General and the Report of the Commonwealth Foundation.

72. The Meeting also expressed appreciation of the valuable contribution to the strengthening of Commonwealth co-operation and understanding being made by the Commonwealth Parliamentary Association. As an independent association of Parliamentarians, it provides unique opportunity for the sharing of experience, the discussion of common problems and the development of personal links to the benefit both of its members and of the people they represent.

73. They expressed high appreciation with the work of the Commonwealth Secretary-General and his colleagues which they thought more than adequately justified the decision to establish the Secretariat.

END OF VOLUME IV